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The Week

POINTS of diplomatic procedure this week threatened the success of what otherwise seemed the most likely basis for a settlement of the Italo-Ethiopian hostilities yet evolved. Premier Laval of France and Sir Samuel Hoare, the British Foreign Secretary, on Saturday reached complete accord on a new—and presumably final—peace plan to be submitted to Mussolini, and Sir Samuel went off to a holiday in Switzerland. News of the terms leaked out prematurely, indicating that Ethiopia was to cede approximately half her territory to Italy, receiving in return guarantees of her nominal independence and a seaport in Eritrea, with a corridor leading to it. These terms, representing a major concession to Italy and going far beyond anything offered by either the League or Great Britain before the conflict began, aroused great resentment in England. The Conservative government was accused of betraying its pro-League campaign prom- League Affairs, was said to be threatening to resign because Laval and Hoare had made the agreement and allowed its terms to leak out without consulting him. No official comment was forthcoming from Italy, but Mussolini was reported to be in a receptive mood. France was said to be hopeful that a basis for settlement might be reached before the League Committee of Eighteen took up the question of extending sanctions against Italy to include oil. In Ethiopia, Emperor Haile Selassie protested to the League against repeated air raids on Dessye, his field headquarters, in which Italian planes bombed the American Hospital and Red Cross tents, killing more than fifty civilians, many of them women and children.

GREAT BRITAIN and the United States last week presented a united front in opposition to Japanese expansion in China. Secretary of State Hull, in a carefully worded statement that did not mention Japan by name, and Sir Samuel Hoare in a virtually simultaneous speech in the House of Commons that did mention Japan, both called attention to the Nine Power Pact guaranteeing China's territorial integrity and expressed concern over recent threats to that integrity. Meanwhile the move for autonomy in North China, under Japanese sponsorship, continued to center around the provinces of Hopei and Chahar, including the Peiping-Tientsin area, with considerable uncertainty as to the exact degree of separation from the Nanking government. Japanese military-mindedness was further reflected by the announcement from her delegation, on the eve of the opening of the London Naval Conference, that Japan must be granted parity with the fleets of Great Britain and the United States before she will even consider any other questions to be brought before the conference. This deepened still more the gloom surrounding a conference practically doomed to failure before it opened. Its chance of success was not aided by Mr. Roosevelt's suggestion for a 20-percent cut in navies, a proposal he has made several times before without any result.

AFTER a prolonged and bitter fight, delegates representing the member organizations of the Amateur Athletic Union of the United States, meeting in convention in N. Y.

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held in Germany next year. The final vote was very close, and opponents of participation announced that the campaign for American withdrawal would continue. President Roosevelt, ending his holiday at Warm Springs, Georgia, journeyed to Chicago, where on Monday morning he made a speech defending his farm and tariff policies. In the afternoon he went to Notre Dame University to receive an honorary degree and made another speech discussing foreign policies. Other speeches this week included copious and bitter outbursts at the convention of the National Association of Manufacturers attacking the New Deal from the extreme reactionary point of view; Secretary Ickes' speech saying it is the fascist-minded big business men who are the real enemies of American institutions; and Senator Borah's anti-monopoly, pro-Constitution radio address setting a middle course between reactionary Republicans and the New Deal. Major George L. Berry, coördinator of N.R.A. activities, called a conference between industrial and labor representatives in Washington to consider recovery measures. Its first session broke up in a near-riot.

THE curious statement by Secretary Hull last week regarding Japanese aggression in China has some disquieting implications. Despite official denials, it is obvious that the United States and Great Britain are acting in concert in the Far East, for ends that are not stated and along lines whose general nature can only be surmised. Many Washington observers had assumed that the Stimson policy of sending notes to Japan had been ended; but it turns out that we were only waiting to obtain British coöperation, which was so conspicuously lacking at the time when Japan was seizing Manchuria as she is now seizing North China. Some cynical persons suggest that perhaps the difference lies in the fact that the present Japanese drive promises to affect far more important British interests than did the earlier one—British interests which, by the way, are enormously more valuable than our own. We are now carefully told both from Washington and London that there is no thought of applying League sanctions against Japan, first because she is no longer a member of the League, and second, because the Italo-Ethiopian situation is as much as the League can handle at any one time. These are both good reasons; but they cast a somewhat curious light upon the effectiveness of the League's general policy of enforcing peace through economic pressure. They also justify, in our opinion, anxiety regarding the part the United States is ultimately to play in the Far Eastern mess.

FASCIST leagues in France are speaking open defiance of government moves to disarm them. It was thought that pressure from the left on Premier Laval, driving him toward more stringent disarmament regulations than he was willing to accept, [illegible] ministry when on Friday. Quite unexpectedly, however, a deputy who is a member of Colonel de la Rocque's Croix de Feu offered a resolution that political leagues be deprived of their arms. With customary adroitness, Premier Laval seized the opportunity to gain expressions of assent from both right and left factions, interpreted this as a show of confidence in his ministry, and hastily prepared decrees to be voted into law. In the debate on the actual decrees, the People's Front used its parliamentary majority to add amendment after amendment, putting real teeth into the decrees and providing for not only the disarmament but the eventual disbanding of the Fascist leagues. In the end, the Chamber of Deputies voted the amended decrees and Laval stayed in power, but his position remains extremely precarious. Fascists are resentful at their "betrayal" by the left and say they will not obey the amended decrees, while the decrees themselves still have to be brought before the Senate.

THE administration's attempt to find a substitute for the N.R.A. by calling a conference of labor and industrial groups under the chairmanship of Major Berry struck a reef at the very first meeting. The administration's plan was for the various groups to separate and elect delegates to a council. But of course many of the industrial forces do not want such a council and wish to destroy the whole enterprise. When Major Berry declared the general meeting adjourned, one of their spokesmen tried to raise this fundamental issue. The chairman would not recognize the speaker, and declared that the attempt to speak was really an attempt to break up the conference. Both sides thereupon called each other liars and the meeting broke up in disorder. Major Berry is more foolish than anybody has thought him if he believed that reluctant industry could be coerced into coöperating with labor and the government merely by strong-arm parliamentary tactics. Industry, in the main, does not want to revive the N.R.A., and that is the end of any program of so-called coöperation.

COMPLETION of the first scheduled flight over the new trans-Pacific route of Pan American Airways—16,000 air-line miles in going from San Francisco to Manila and return—was in many ways aviation's most impressive performance since its inception. What distinguished this flight was its almost inhuman adherence to schedule. Planned months in advance to start on such-and-such a date, follow through and return by such-and-such a date, it did precisely that—regardless of local weather conditions, human fallibility or possible delay. Nothing could have given a more complete demonstration of the reliability of modern trans-oceanic craft. The performance of the "China Clipper" gave point to a meeting in Washington of representatives of the United States, Canada, Ireland and Great Britain to make preliminary arrangements for a trans-

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along the southerly Bermuda-Azores route, which is open the year around, with a Newfoundland-to-Ireland route as a later possibility. In any event, regular trans-Atlantic service will probably be inaugurated within another year.

THE same week that saw these great forward steps also brought reminders that the risk of flight is by no means eliminated. Sir Charles Kingsford-Smith, by many considered the greatest of all long-distance flyers, was officially declared dead after he had been missing for more than thirty days on a projected flight from England to Australia; and the three weeks' search for Lincoln Ellsworth, American explorer missing on a flight over Antarctica, continued fruitless.

IF YOU don't like an alien, send him back where he came from. Under three Republican Presidents, that was the policy of the United States government, and it is somewhat disconcerting to find a similar case today. Walter Baer, whose case has been described in earlier issues of The New Republic, is now awaiting deportation at Ellis Island, where, however, he has been granted a stay for a few weeks, with some hope that his case may be reopened. Baer believes, though he is unable to prove it, that he was born at Calexico, California; the government says he was born in Germany. At any rate, his parents lived in Germany when he was a small boy, and he entered this country with his father at the age of nine. In early manhood, he got into trouble and was arrested and convicted for forgery and burglary. On coming out of prison he reformed, became an engineer in the United States Geodetic Survey, married an American girl (they have three children) and for fourteen years lived an exemplary life. Now after fourteen years the government has suddenly decided to deport him to Germany, a country he hardly remembers and from which he is alien in every possible way. The real reason for his deportation seems fairly clear. He became active in work for the unemployed in Oregon, and also advocated a sewage-disposal system to which powerful private interests in that state were opposed. The immigration officer who had him arrested is a well known Red-baiter, and so is the Governor of the state, who refused to intervene on his behalf. To the credit of Oregon be it said that many of its leading citizens, and half a dozen of the state's best known newspapers, have intervened, bitterly protesting an action that seems so utterly at variance with traditional American ideals.

THE murder of Walter Liggett, crusading Minnesota editor, inevitably brings to mind the similar shooting of Don Mellett, also a newspaper editor, who was killed in Canton, Ohio, on July 16, 1926, after he had exposed the control of the city government by the underworld. Though Liggett was a bitter foe of Governor Olson of Minnesota, he was also the enemy of bootleggers, gamblers, [illegible] rulers of vice and crime in that state, where he had utilized successfully the skill and knowledge he had obtained through investigations of crime in other parts of the country, many of them published in the magazine, Plain Talk. All evidence now available points to the conclusion that Liggett's death came from the gangsters whom he was engaged in exposing. Liggett had also charged, however, that these gangsters were protected by Governor Olson, and unless the latter can demonstrate that these charges were without foundation, it will jeopardize his future political career.

ANGELO HERNDON is a free man for at least twenty days, and a Georgia judge has given evidence of both legal learning and a humanitarian viewpoint. Judge Hugh M. Dorsey of the Superior Court in Fulton County last Friday handed down a decision that Georgia's anti-insurrection law, passed in 1866 to prevent disturbances among newly freed slaves, violates both the state and United States Constitutions, and accordingly released Herndon in $8,000 bail. Judge Dorsey gave the state twenty days in which to file an appeal, and if none is filed or if the higher courts uphold Judge Dorsey's decision on the constitutionality of the law, Herndon will be fully and finally free of all charges against him. This is a heartening turn of events; there is at last reason for hope that Herndon, the young Negro whose real "crime" was leading a demonstration for more adequate relief for the unemployed in 1932, will be spared the savagery of the sentence of eighteen to twenty years on the chain gang.

THE People's Press, the new left-wing weekly in Chicago, publishes an extraordinary story about conditions at Gauley's Bridge, West Virginia, where, it charges, 476 persons are known to be dead and probably 1,500 more will die, as the result of silicosis. The disease was produced by the lack of safeguards among workers building a tunnel nearby through silicate rock as part of a power project constructed by Rinehart and Dennis, contractors for the New-Kanawha Power Company. This, according to The People's Press, is a subsidiary of the Electro Metallurgical Company, and behind this in turn is the Union Carbide and Chemical Company. The men working in the tunnel, for a maximum of $3.60 a day, were not given masks, although some of them asked for this protection, nor were ventilating shafts created. It is charged that 169 of the dead workers were tossed into trenches in an open field without coffins or any identification of the bodies. It is also charged that compensation given the families of those killed has been grossly inadequate or entirely lacking, that every effort has been made to keep the facts from being published, and that government officials have coöperated with the contractors and their backers to these ends. If the facts are even one-tenth so serious as they are reported by The People's Press, or by The New Masses which some

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they call for a congressional investigation, full punishment to the guilty officials and such reparation as is possible to the families of the men who died.

CONTINUING his efforts to find a peaceful way out of the contradictions of our economic system, Secretary Wallace proposes the creation of a Council on General Welfare, to be composed of "eminent economic statesmen" and clothed with the same prestige now enjoyed by the Supreme Court. It would be the Council's duty to examine laws passed by Congress on economic matters and to decide if they were compatible with the national welfare. In case it decided adversely, it would have the power to submit the question involved to a national referendum, the result of which would thereafter be regarded as a statement of permanent economic policy. This plan shows great imagination, but since it is likely that the Council would at once be forced to challenge private industrial interests—on the question of the tariff, for example—it would probably not be effective. Once social control has been established over industry and banking, it will be a relatively simple matter to devise democratic administrative machinery; until then no amount of administrative devices can be depended on to provide a solution of our economic problems.

NAZI propaganda in America now turns up with a story that the assassination of Huey Long was the result of a Jewish plot. The charge is made in a lurid mimeographed "magazine," The American Bulletin, which is circulated anonymously from headquarters in New York. The Bulletin is filled with the most savage kind of race prejudice, grammatical errors and quotations from Hitler's "My Battle." The Long story, which praises Huey and his dictatorial methods, is, of course, a complete absurdity in that it fails to bring forward any shadow of evidence of a Jewish plot other than the circumstance that the assassin, Dr. Weiss, a Roman Catholic, had a Jewish-sounding name (though he was, to the best of our information, seven-eighths gentile by descent). The Bulletin, scurrilous and furtive, pretends to be "American," although its Nazi inspiration is obvious. Much more pretentious are the bulletins sent out by World Service, biweekly releases described in their own phrase as "leaflets intended to be passed on from hand to hand amongst Gentiles." These are mailed to an extensive list of newspapers, magazines, organizations and individuals. With a great show of pseudo-learning and world-coverage of Jewish plots, World Service upholds such threadbare forgeries as the Zionist Protocols and retails the most towering falsehoods with a perfectly straight face. This service comes quite frankly from Germany, with headquarters in Erfurt. If such publications are meant to be Herr Hitler's unofficial ambassadors to America, in one respect they represent a fair choice —they give an accurate indication of the intellectual

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Recovery Is Possible

STUART CHASE, in his article "Recovery," beginning on page 162 of this issue, sets forth a theory which he invites his readers to judge. The New Republic accepts the invitation for the purpose of presenting a few additional considerations which seem to us to require a shift of emphasis in his conclusions. The subject is already abstruse, and to expound it in full would unduly tax the reader's attention, but there is interest even in an abbreviated discussion of such fundamental issues.

With Mr. Chase's first position nearly every economist would agree. There cannot be a full-fledged recovery until there is a much larger volume of new capital investment. The reason is statistically obvious. The most depressed industries, those in which the largest unemployment has occurred, are those that make the goods new investments buy—buildings, building materials of all kinds, railroad construction and equipment, machinery, etc. There is some confusion in linking such new investments, as Mr. Chase does, with expansion of bank credit. It is broadly true, however, that new private investment could hardly expand on a wide scale at present without increase of the banks' investments or commercial loans or both. The only other possible sources of private investment funds—undistributed business profits and individual savings collected by savings banks, insurance companies and the like—have not been growing rapidly.

The question then becomes, what conditions will facilitate a revival of investment? Here Mr. Chase delves into monetary theory. He thinks of the total number of dollars and of their circulation around the system. "If everyone spends his income as fast as he receives it, the dollar system can never break down," he writes. From this he goes on to consider what happens when recipients of profits stop spending their money for investment, and talks about the impossibility of profitable new investment as long as the debt burden of capital claims remains unliquidated.

We suggest that this is a shorthand account which omits essential complications. What Mr. Chase says would be substantially true if there were a stable price level, composed of unchanging individual prices, and if incomes did not change. Then one could talk of dollars as if these dollars were equivalent to a given amount of purchasing power. But in fact the price level does change and, what is more important, the relationships between the prices of individual commodities and services change. It is necessary to take account of this fact in order to understand why depressions come as they do, and why they go.

Let us introduce this price element, for instance, into the picture that Mr. Chase draws of "marching invention," in the course of which a "two-million-dollar plant today may double the output of a two-

happens, he thinks the stream of investment must be reduced, because the consumers cannot buy the extra goods. But much depends on what happens to the prices at which the goods are sold. A doubling of productive efficiency should halve the unit cost of production, making possible a halving of the price at which the article is sold. If the price is cut in two, twice as many may be bought for the same number of dollars as before. An investment of the same amount and just as many workers are required to produce the doubled number, and hence there is no stoppage in the circulation of purchasing power. People merely have twice as many goods.

But if, as usually happens, the gain from the reduced cost is not sufficiently shared with consumers by lower prices, but instead is diverted to profits, you may get into trouble. You may have a boom during which you build new capital equipment without enlarging consumer purchasing power fast enough to take all the prospective output off the market. This would be followed by a collapse when the excess equipment became apparent and new investment was consequently reduced. And then, if the prices were still held too high, you would get a continued restriction of production and employment.

Let us take another example of the importance of price relationships—an example that has a direct bearing on the present problem of recovery. Everybody admits that unless the construction industry revives, together with the industries making the materials for it, we are not likely to have a sustained upward movement. The government might conceivably start a big enough building program to bring prosperity to construction, but that is as unlikely as anything can be. We must therefore look to private building to do the job, if it is to be done. Private building will revive if there is enough demand for new houses and apartments, office buildings and hotels, to make their construction profitable. During the depression there has been little such demand, not only because incomes have been reduced, but because the relationship between building costs and rents has been such that it was cheaper to rent or buy than to build. But, little by little, as the population grows and building space is decreased by fire, obsolescence and condemnation, the demand for space begins to exhaust the supply. Rents reached their lowest point at the end of 1933, and since then have risen about 15 percent. Likewise the prices of old structures have risen a little. If building costs had stayed down at the low they reached in 1933, we should probably already see a good deal of construction activity. Unfortunately the N.R.A. gave the building and allied industries a chance to raise their prices, and they promptly did so. This stalled the possible building recovery. Since 1934, however, building costs have not risen. If the grasping instincts of the industry do not ruin its own prospects by further price increases, the gap between rents and costs is likely to disappear and construction can revi-

During the depression, farmers could not buy many products of industry because the prices of crops fell drastically while the prices of manufactured goods did not. This created unemployment in industry and trade. Since then, this disparity has been partially corrected by a rise in the prices of wheat, cotton, tobacco and hogs—the result in part of the A.A.A. and in part of the drought. Correction of the disparity was made more difficult by the action of industry under the N.R.A., in raising or pegging prices of manufactures. Nevertheless, many farmers do have more purchasing power, and the consequence is being revealed in the business of mail-order houses and automobile manufacturers.

The relationship of debt and capital claims to this process is not quite what one would infer from Mr. Chase's article. The railroads offer an illuminating example. Railroad traffic has declined, in part because their rates have remained high while the prices of other things have fallen. More traffic could have been encouraged, more employment could have been created, and more orders for rails and other capital goods needed by railroads could have been stimulated if their rates had been drastically reduced. What prevented the adoption of this sensible policy? Principally the enormous debt burden of the roads; their bonded indebtedness had become so inflated and their interest charges were so large a part of their costs that they could not reduce rates much without risking receivership and reorganization. It is the effect of fixed debt on the costs and prices of a given industry, when prices are out of line, that causes the trouble. If prices were in a workable adjustment and capital claims had no effect on costs of business, the payment of interest would cause no more trouble to the system than the payment of old-age pensions or any other way of directing the flow of the national income.

Our conclusion about the possibility of recovery is therefore less sweeping than Mr. Chase's. Conditions are not ripe yet for full prosperity—as can be seen by examining construction and railroads—but they may become so. The self-protective actions of capital where it is powerfully intrenched create and maintain ruinous disparities in prices and incomes; yet in time these forces may be compelled by sheer economic or political pressure to yield enough so that production and exchange can revive. We do not look forward to anything like a complete absorption of the unemployed or real prosperity for everybody, but recovery can creep along until our economic ruling classes are well satisfied. We have no confidence whatever that such a condition will not, in its turn, lead to speculative inflation, either in business or security markets or both. The enormous bank reserves that have been built up make such a development almost certain. Prices, wages, profits and production will get out of line again and we shall have another crash. Anarchic capitalism can have no other outcome. But nothing has oc-

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The Philippines: Freedom to Starve?

THE INAUGURATION of Manuel Quezon as the first president of the Philippine Commonwealth marks the initial step on the road to complete independence. The event was hailed in this country with a burst of self-gratulatory encomiums on Uncle Sam's unparalleled generosity in voluntarily granting freedom to a subject people. As everyone knows, the aforesaid generosity consists of one-tenth indifference and nine-tenths organized pressure by American sugar, vegetable-oil and cordage interests, whose influence has, for the moment at least, proved stronger than that of American exporters to and investors in the Philippines. Because it had become more significant as a competitor than as a market and capital outlet, a colony acquired at no small cost in men and money was thrown into the discard. Such are the workings of manifest destiny in reverse.

In the welter of speculation about possible Far Eastern political repercussions of Philippine independence, its economic consequences to the Islands themselves have been more or less lost sight of. Yet they may well be catastrophic. Few people in this country realize the gravity of the problem confronting the Philippine people—namely, how are they going to make a living when they are cut off from the United States market?

The three great industries that dominate Philippine economic life—sugar, coconuts and abaca (Manila hemp)—all function as feeders for American factories. So great has been the concentration on export crops that the Islands are not even self-sufficient in food supply, but must import considerable quantities of grain, meat, vegetables, dairy products, etc. As for manufactured articles, it has been cheaper to buy them abroad than to make them at home, and protection of infant industries has of course been out of the question. The proceeds of the export trade have been used to purchase food and manufactures which the Islands were not equipped to produce for themselves.

Foreign trade is therefore not a profitable sideline but a vital necessity. And 75 percent of it—amounting in normal times to about $200,000,000 a year—is carried on with the United States. The economic provisions of the Tydings-McDuffie act, by threatening the existence of this trade, destroy the rock upon which, through no choice of their own, the economic life of the Filipinos has been built.

The act provides for a transitional system of American quotas and Philippine export taxes, the proceeds of which, incidentally, must be used for retirement of the present Philippine public debt, thus protecting the interests of American bondhold-

If and when this takes place, it is improbable that Philippine-American trade will be choked off entirely; but there will certainly be a curtailment drastic enough to produce the most serious internal consequences. Some Philippine products, notably copra and abaca, are on the American free list anyway. Coconut oil is subject to duty, but while independence will probably ruin the comparatively small oil-extracting industry of the Islands, its chief result will simply be that they will have to ship us copra rather than the oil extracted from it. The principal protest raised by Filipinos, however, concerns the sugar industry, which employs 1,500,000 people out of a total population of 14,000,000, and has recently accounted for 60 percent of the value of all exports, 30 percent of the national income and over 40 percent of the government revenues. If subject to the tariff, Philippine sugar could not under present conditions, compete in the United States market either with the domestic product (including that of Hawaii and Puerto Rico) or with that of Cuba, which enjoys a preferential duty. Nor, in the face of world overproduction of sugar, rising tariff barriers in all important consuming countries, and competition from lower-cost producers such as Cuba and Java, is there much hope of developing other markets. Since domestic consumption is negligible in proportion to production, the Philippine sugar industry appears to be doomed to virtual extinction.

The Filipinos are quite aware of the high price placed upon independence, and their willingness to pay it, if they must, is indicative of the valuation which they set upon this precious commodity. Nevertheless, a vigorous campaign is being carried on for modification of the terms of the Tydings-McDuffie act through establishment of a system of reciprocal tariff concessions by agreement between the United States and Philippine governments. It is backed, naturally, by Americans resident in the Islands, who play a leading part in their commercial and industrial life and whose interests are, from this point of view, identical with those of the Filipinos. Further support is likely to be forthcoming from American export groups, especially the cotton-textile people, whose keen interest in the Philippine market is attested by their recent loud outcries against Japanese competition. Naturally, such an arrangement would tend to perpetuate American economic, if not political, control over the Islands.

Failing drastic modification of the independence act, the Philippines are faced with the necessity of recasting their entire economic life under what promise to be highly unfavorable conditions. Already the possibilities of alternative crops and establishment of domestic industries are being intensively explored. If these changes are wisely administered, the long-run result may be a sounder and better balanced national economy. But the price will be a long period of excessively painful readjustment. And, of course, the Filipino masses may find themselves no better off under the domination of their

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From the economic standpoint it would seem eminently reasonable for the Philippines to continue to specialize in those commodities which they are by nature and training best fitted to produce. But this will do them no good if they cannot sell the commodities. Autarchy is an expensive goal for any country, and an impossible one for small nations like the Philippines. Nevertheless, it seems to be the order of the day in the international society into which the Islands are to be unceremoniously dumped. Their situation is a valuable object lesson for anyone who may still think that the complex problems bequeathed by the historic process of imperialism can be neatly disposed of by a simple reversal of policy.

The N.A.M. Aids F.D.R.

THE National Association of Manufacturers held a field day last week. Its cohorts in convention assembled denounced the New Deal with all the epithets at its favorite orators' command. The general thesis was that the depression would now be ending if it were not for the efforts of "economic crackpots, social reformers, labor demagogues and political racketeers"—by which it meant the Roosevelt administration—who are rapidly ruining the country.

The Association adopted a set of resolutions of the sort to be expected from people holding this point of view. It demanded an end of efforts at a planned economy and the attempt to balance production and consumption, on the ground that no "small group" is wise enough for such an attempt. It denounced action by the federal government to control the course of investment, to regulate wages and employment and to "tax success." Unemployment insurance, said the N.A.M., is unworkable because we have depressions, and it threw the whole social-security scheme out the window. The only solution that it sees for unemployment and the problem of relief is encouragement of private enterprise, which Mr. Roosevelt has repudiated by turning his back on "the American system." The Association announced that in this great national crisis, it proposes to enter the political arena. Its members were told to participate in Republican Party activities and to make sure that the deadly virus of liberalism does not taint that party, since radicalism would be sure to follow. In short, the meeting of the N.A.M. was a perfect example of Bourbonism in full flower. These gentry have learned nothing in recent years and have forgotten nothing—if, that is, you assume that they had anything to forget.

To be sure, the announcement that the N.A.M. is at last going into politics reminds one irresistibly of the Hollywood maiden who was studying to become a virgin, presumably for the purpose of being seduced. The N.A.M. has been in politics over its people who have lobbied incessantly at Washington for high tariffs on their products and against high taxes on their profits. Everyone knows that they have contributed to Republican campaign funds in one national election after another and have fought desperately to compel their employees, and everyone else they could influence, to vote the G.O.P. ticket. The N.A.M. is, and always has been, the right wing of the right wing. It certainly is not authorized to speak for American business as a whole, and there is doubt whether it even represents the actual views of its own members, and not the dogmatic opinion of a little central group. The real spokesmen for big business are probably embarrassed by these expressions of black reaction, and well they might be. Let the impression get abroad that these are actually the views of the Republican Party, that if it came to power the unemployed would be left to sink or swim and the A.A.A. canceled, and Mr. Roosevelt's reëlection will be assured. When one considers how little the present administration has actually done to interfere with the profit system, how well the members of the N.A.M. are faring at the present moment, the bigotry of such opposition as this is something at which to marvel. These are the spoiled children of capitalist society. They insist on having not only the deed but the word as well.

The question remains, however, to what extent the N.A.M. does represent the views of Big Business as a whole, even though its real leaders would deplore such open and extreme statement of the Tory view. There are about two hundred men in this country who, largely by means of interlocking directorates, control our largest corporations. These in turn own 50 percent of the nation's corporate wealth, which means 40 percent of our total business wealth, and they can and do dictate the economic and financial policy of the country. Do these responsible leaders, not many of whom are represented in the N.A.M., tacitly approve of the attitude of that body? If they do not, it is high time they came forward and said so. If they do, the sooner the country knows it the better.

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Recovery

IT IS widely announced that the depression is over. Mr. Charlie Dawes can give you the exact day. Certainly business is more active, profit levels have improved, the dollar volume of retail sales is substantially above what it was a year ago. The national income is increasing. Power output and machine-tool production are back to 1929 levels, indicating among other things an augmented flow of labor-saving devices with inanimate energy to power them. New motor cars are filling the roads, most of them bought on the instalment plan. The stock market, according to President Gay of the New York Exchange, is taxiing gaily down the field, preparing perhaps to take off into the clouds.

Other signs seem to indicate that the depression stubbornly lingers. Car loadings, that dependable index of the movement of tangible goods, tend to remain on the same plateau, 40 percent under normal. Unless trucks are doing a much greater relative business than in 1929, it appears that a brisker movement in dollars is not accompanied by a much brisker movement in goods. Unemployment maintains its impressive proportion of a fifth of the whole employable population of America. There are apparently as many unemployed today as there were a year ago. Jobs have increased a little but so have candidates. If recovery is to be measured in employment, there is none. According to Aubrey Williams, director of the National Youth Administration, there are from five to eight million young people between the ages of sixteen and twenty-five who are wholly unoccupied. They are neither working nor attending school. Relief rolls are not markedly declining, although many recipients have gone on work relief. Export trade is about one-third of normal. The construction industry, while somewhat improved, is still less than one-third normal.

Commercial loans are declining, being smaller in 1935 than in 1934, and indeed smaller every year since 1929. (See the accompanying chart.) Total bank deposits reached their low in the spring of 1933, and have been expanding since, but note that the entire lift has been due to government borrowings. *The banks are not increasing their investments in private enterprise.* They are in fact decreasing these investments, and expanding loans to government. Note also that only federal government securities are separately shown on the chart. A good share of "other securities" must of course be the paper of local government units—states and municipalities.

So one might run on, tabulating gains and losses, without coming to any clear conclusion. We *feel* [illegible] word for this fundamental equation. The Brook- [illegible] in its recent book, "Income and

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fundamental improvement. But, you ask, perhaps any day now something will happen; some unknown factor, obscurely located in the economic equation, will solve the whole difficulty? With its help, the unemployment jam will be broken, relief rolls will fade away, banks will begin lending billions to private industry, car loadings will jump to normal, and presently happy days will be here.

The factor may be present, but I do not know where to look for it—save possibly in a world war. I do know that theoretically it appears to be nonexistent. Let me set before you as simply as I can these theoretical considerations. Because they embrace the performance of the system as a whole, they form the only frame of reference which, to my knowledge, can really assist us in answering the question: Is recovery here? It is for you to judge whether the theory is awry.

The United States, together with all civilized peoples—including specifically Russia—has accepted the convention of what Bassett Jones calls symbolic money for lubricating its economic life. For a long time the tradition lingered that money, being tied to gold, had intrinsic value. With the worldwide abandonment of the gold standard, it is now generally agreed that money is not worth anything in itself; it is simply a useful convention, a game we play. So long as we respect the rules, the dollar or the pound or the ruble meets the pragmatic test. The gold standard is a relic of the days of barter and will soon be extinct.

Looking at the system as a whole, we see business men, corporations, governments and other economic agents borrowing dollars for working capital. These dollars they pay out as costs in the form of wages, salaries, interest, materials, and they pay a return to themselves. The payments for materials cancel out internally. All the dollars constituting total outgo get into the pockets of individuals in the end. Total outgo fixes the price for all goods and services in the system. If everyone spends his income as fast as he receives it, the dollar system can never break down. Depressions will be unheard of. Any reasonable amount of new dollars can be added to the system, and there will be no trouble so long as they feed through outgo and are promptly spent.

When dollars are saved, hoarded or neutralized in a speculative run-around, trouble begins. The system as a whole promptly shows a deficit. Income falls short of outgo to the exact amount of the dollars so diverted. You need not take my

documented account. If we are going to play the money game, we must play it according to the rules. The first rule is that dollars which go out as outgo must come back as income for the system as a whole, or the system jams. Hoarding always jams it. Intensive speculative activity tends to jam it, as the effect is to divert dollars from spending. Saving does not jam it, if the savings are promptly reinvested and so transferred to workers to spend. These workers are usually employed in the capital-goods industries, and the saving-investment process assists in building up productive plant. So long as there is ample opportunity for profitable productive investment, savings will find their way back into the dollar stream. Whenever and wherever profitable investment lags, savings will clot in hoarding or sterile speculation, and the system, by the laws of its performance, will go out of balance.

It is interesting to note that the symbolic-money system of Russia is subject to precisely the same laws as ours. When in 1931 and 1932, prices were fixed by the government *below* the total ruble outgo of the system, citizens of course cleaned out the available supply of goods, and had rubles left over for which no goods were on the shelves. These surplus rubles were hoarded—by default—and the ruble system registered a large deficit. The Soviet government had to print additional rubles to cover the deficit and a serious inflationary movement resulted. It has since been checked, but the incident is instructive. Communist or capitalist, we are in the same boat when we use symbolic money.

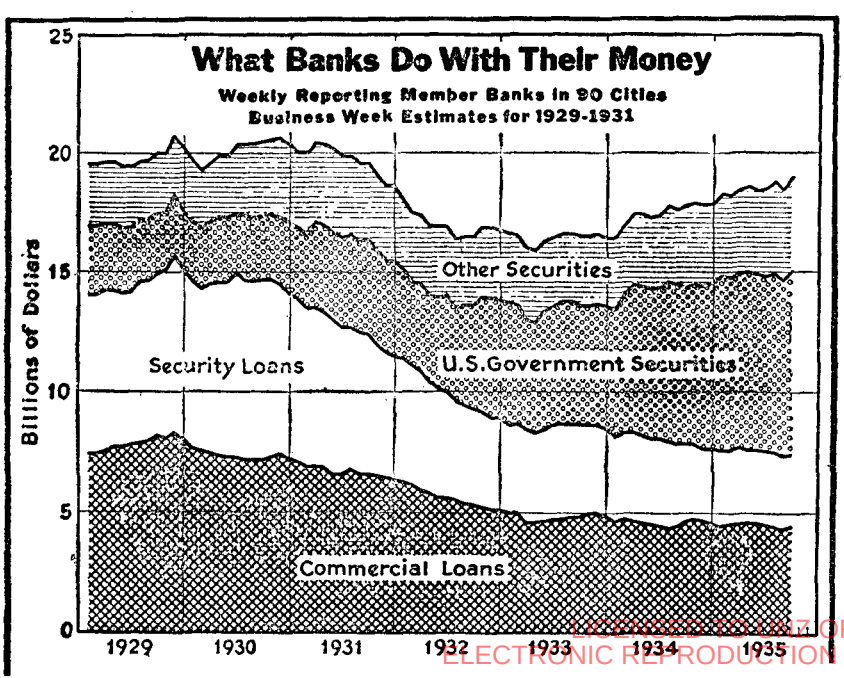
Under the capitalist formula for balance, profitable investment, as we have seen, returns the dollars to the spending stream. Any halt in the investment rhythm, and up goes the red flag of deficit. The rhythm, furthermore, is a compounding one, with a rate in the neighborhood of five percent. A socialist-controlled money system need not be subject to the same compounding process, but if it borrows and pays interest to build up plant, compounding inevitably enters.

Opportunities for profitable investment depend, as the Brookings Institution has amply demonstrated, on the call for consumers' goods. The two are not independent variables, as orthodox economists have held, but are firmly yoked together. The call for consumers' goods, however, tends to fall relatively as capital claims elbow their way into a relatively larger share of national income by virtue of compound interest.

Again, as invention marches, a dollar of new investment produces more and more goods. A two-million-dollar plant today may double the output of a two-million-dollar plant built ten years ago. This operates to cut down the number of new dollars needed to equip the capital structure without, however, cutting the need for purchasing power. Again, a steadily increasing number of workers become dependent on the reinvestment process.

Theoretically and mathematically the process, if it could continue to its logical end, would transfer nearly all workers to the capital-goods industries, the plant being manned by a few switch-throwers who would direct automatic mechanisms for the production of consumers' goods. Most of the cost of these goods would be interest or conventional dividends; most of it would be saved, and to maintain equilibrium, workers would have to go on building still more plant. We run into a *reductio ad absurdum* worthy of H. G. Wells. But this is the logical end of a capitalism built on compound interest.

Long before it happens, tensions of course become unbearable. A time comes, and must come, and has come, when the savers cannot find opportunity for profitable investment on the scale required. Excess capacity appears. Plant equipment outruns consumer demand. The Brookings Institution on a very conservative—to me shockingly conservative—estimate has found chronic excess capacity for the last twenty years. For 1929, Brookings notes total savings of $15,000,000,000, while all that could be invested in productive plant was $5,000,000,000.



We need hardly look further for the cause of the depression. The red flag was up to the extent of a possible ten billions of dollars. Where were the straying billions? They were largely sterilized in stock-market speculation. They might as well have been buried in the back yard for all the good they did the spending stream. Deficit, depression, more hoarding, fewer opportunities for

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Once in the tailspin, how does the system ever pull out? In all former depressions, equilibrium has been found far down the scale when enough capital claims had been liquidated to permit a shrunken outgo to balance citizens' spendings. The point of equilibrium is always there. Any depression can be theoretically overcome if people are willing to let the dollar system find its own level by liquidating capital claims and so driving the compounding process back on its haunches. All earlier depressions in this country have been so overcome. Somewhere down the line, income has equaled outgo and the system has expanded again from this base. Expansion, needless to say, is greatly aided if population is growing rapidly, if a continent is in the process of development, if foreign markets are eager for domestic goods.

Well, you ask, why is not the same story repeated in this depression? Did we not find balance in 1934, after income had dropped from seventy-nine billions to forty-six billions, and are we not going up on the old formula? No. *The present depression has never found its natural point of equilibrium.* We are again in balance, true, and moving upward; citizens' spendings cover outgo, but the circumstances of this balance are without precedent in history. No intelligent appraisal of recovery can be made without allowing for this extraordinary situation.

A deficit showed up in 1929—perhaps even earlier—masked by a speculative smoke screen. It began to register seriously in 1930; the national income dropped five billions. In 1931, income dropped eleven billions; in 1932, thirteen billions; in 1933, four billions—thirty-three billions in four years. This cumulative deficit in the dollar flow exceeded anything ever known in former depressions relatively as well as absolutely. By 1932, citizens were attempting to leave the system by the tens of thousands in a flight to barter and subsistence on farms. Alas, there were no longer any real safety zones; the frontier had gone. Where was the point at which equilibrium would be reached? Into what murky depths must we still descend? How many millions more must be stripped of their jobs, their incomes, their savings, their hope? Mr. Hoover, acting against his every tradition, threw the credit of the government, two billions of R.F.C. dollars, under the structure. It was not enough. Before he left office, every bank in the nation had closed. Mr. Roosevelt pulled the credit throttle wide open. Government dollars poured into the closed banks and revived them. They poured into relief, public works, loans to homeowners, farmers, industry. There was no alternative. Look again at the chart. See the government loans expand with a rush in 1933 and 1934. The whole story is there. Enough dollars have gone in to achieve an artificial equilibrium, at a point far above the "natural" line. It was to take, via the banks, the saved dollars and give them to citizens to spend. The government replaced the private-capital market, and instead of saved dollars finding their way back to the stream through issues of U. S. Steel and Armour preferred, as in the past, they were allocated back through R.F.C., F.E.R.A., P.W.A., H.O.L.C., and the rest. The immediate effect, of course, was the same. The system does not care who arranges to get saved dollars into citizens' pockets for spending, so long as it is done.

So recovery is here? Not quite so fast; look again at the chart. Commercial loans are falling, government loans are rising. The whole balance rests not on a regained equilibrium in private enterprise, after a purging of capital claims, but on government credit. The private-capital market is not functioning, as it did in the upswing from all earlier depressions. Meanwhile, billions of capital claims have not been squeezed out. Outgo is padded with huge "unnatural" capital charges. The principal, including common stocks, of capital claims is still in the neighborhood of three hundred billions, and a return is demanded as heretofore. Government debts are rapidly being added to the total. The amount of savings that must be promptly and frequently reallocated to preserve balance is enormous.

The government has balanced the system, but save for a scattering of public works, it has not increased production. For one thing, private business would not permit it. When Harry Hopkins put the unemployed to work producing furniture and mattresses, he was met by such a storm of protest that the men had to go back on the dole. The stalemate is all but complete. Private business will not, or cannot, reallocate the savings in profitable investment—look at the chart; the government is practically estopped from productive investment.

Balance the budget, cries the sound-money camp. But to balance the government budget today can only mean to unbalance the dollar system. Private capital is not being invested to make good the difference. The budget balancers have a pat reply. *If* the government balances its budget, *then* confidence will return, *and* private capital and savings will stream into reinvestment to be spent by workers constructing new plant, and equilibrium will be restored. Well and good. But there are certain gross facts first to be reckoned with. How can private industry profitably borrow the five to ten billions a year now essential to equilibrium:

1. If the debt burden is already unnaturally great, owing chiefly to Mr. Hoover's R.F.C.?
2. If excess capacity in the plant is now something in the order of 50 percent, to take the conservative estimate of the Brookings Institution?
3. If foreign trade is at a standstill?
4. If population growth is slowing down, with

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time to create additional technological unemployment?

If these facts can be overridden, ignored, discounted, and private capital invests its savings regardless, and the dollars get out to citizens and are spent, recovery of a kind we shall certainly have. But how long will it last? How long before the folly of such outlay is driven home and the deficits again begin? Your guess is as good as mine.

On the other hand, if private capital, confidence or no confidence, cannot be coaxed into exceedingly dubious investments, we may still continue the kind of government-inspired recovery already achieved, where savers lend to the state and the state spends for relief. The dollar flow is more brisk, but prices tend to rise, leaving production as a whole but little improved. How long can it last? As long as the government's credit holds out. The end is obviously a runaway inflation which, by a crude but conclusive method, reduces capital claims to negotiable levels. Then we can begin all over again, like Germany, compounding our debts.

The analysis ends here. Check it with your own experience and observation. Check it with available statistics and the appended chart. Check it with the studies of the Brookings Institution. Then throw it out the window if you so desire. This is the only approach I know of to appraise the question of recovery. It is founded, you see, on a very simple formula: In a symbolic-money system, dollars that go out as costs (outgo) must come back as sales and fees (income), or the mechanism fails. If the system does not work this way, if it can continue to function when income dollars are hoarded, mislaid or diverted, then there is magic in it somewhere; business men had better give up keeping books and take to crystal gazing, and I have wasted my time and yours in formulating this approach.

The survey ends, you will observe, in two possible recoveries—one private and one governmental. Both keep spending at a level with outgo, both are highly unstable, both are relatively brief, both maintain unemployment at huge figures; both leave unsolved problems of permanent equilibrium and a steadily increasing flow of dollars to buy back a steadily increasing flow of goods. Technology, we know, is eager to furnish the goods if only someone will furnish the dollars.

Finally, one or two speculative considerations are perhaps in order. Why should not the government permanently replace the private-investment market as the primary agent for holding income at a level with outgo? There is no logical reason why not, though there are certain psychological reasons at the moment. In due course the government must come to it, in my opinion. Today the government is in fact balancing the system, but, as we have seen, on an emergency rather than on a permanent basis. Save for a scattering of public works, it is closing the gap without engendering any substantial increase in rate of interest—an encouraging sign to be sure—there is not much slackening in the compounding process. We are still caught in the old rhythm, with the government holding the bag rather than the private investor.

Let us assume for purposes of argument that private investment will never again attain the proportions necessary to balance the system, and that the community, through the government, is forced permanently to assume the role. On what basis can it function without running into inflation or a stalemate in production, as now seems to to be the case? With an eye steadily fixed on the fundamental equation, the answer is all but automatic. Any agent, be it government, Wall Street or William Randolph Hearst, charged with preserving permanent balance between income and outgo, must (1) halt the march of compounding debt claims, and (2) get more dollars into the system to expand the demand for goods, without a corresponding increase in prices. More production with no more debt burden, such are the conditions for permanent recovery.

Short of taking over the whole economic complex as in Russia, two methods are apparently available to meet these conditions. They can be applied only by government. The first is to reallocate savings into spendings through the mechanism of the income tax, and thus stop the creation of more interest-bearing debt. The second is to expand production in socially useful public works and services —including health, education, low-cost housing, as well as the more orthodox varieties—through issues of non-interest-bearing credit. This operates to pump more dollars into the system in exchange for the production of more physical wealth, is not inflationary and does not stimulate the compounding process. The operation is essentially the same as in the case of all new industries, privately financed, save for the factor of interest. Bankers created credit to build up the automobile industry. It is here proposed that the government as banker create credit to build up the housing industry, or the public-health service. The new dollars pumped in for automobiles did not result in price inflation, and there is no reason why new dollars for workers' houses should result in price inflation.

But, you may object, the government is not competent to develop new industries; its administrative techniques are deplorable. That is as it may be. We can debate the matter indefinitely, but it is another story. We assumed that private capital could not balance the system. I sought to find theoretical methods whereby the community itself might balance the system without revolutionary change. If you hold that the community is incompetent, you are arguing in effect that complete breakdown and revolution are inevitable. That is your privilege. Personally, I think the state can develop new industries at least as well as the real-estate gentlemen developed [illegible]

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Real recovery will come when production increases with no increase in debt service. If you do not like my proposed method, try your hand at another one, but never take your eye from the fundamental equation. Certainly these two conditions have not been met as yet, and any celebration of recovery prior thereto, promises to be in the nature of a sick man who gets drunk, sings "Sweet Adeline" at the top of his voice, and awakes next morning sicker than ever. STUART CHASE.

Roses in January; Morons in June

SOME YEARS ago I wrote an article about Los Angeles in which I expressed a belief that some day California might have a civilization comparable to that on the shores of the Mediterranean two thousand years ago. I have been derided for that opinion by a good many civilized people who, having visited California, have a general feeling that it strongly resembles Hell, with occasional showers in winter. Nevertheless, I still believe that what I said is true, though I perhaps ought to add that before this transformation can happen it may be necessary to put to death about 95 percent of the existing population. The psychologists may be able to explain why it is that a semi-tropical climate attracts so many undesirable people; any tourist wandering in the streets of Los Angeles can see the fact demonstrated.

Here is the world's prize collection of cranks, semi-cranks, placid creatures whose bovine expression shows that each of them is studying, without much hope of success, to be a high-grade moron, angry or ecstatic exponents of food fads, sun-bathing, ancient Greek costume, diaphragm breathing and the imminent second coming of Christ. As they stroll the streets, the women by preference in white-duck sailor pants and bandanna brassières, the men with a Spanish scarf for a belt and shod with purple velvet shoes, they find a good deal of difficulty in concentrating enough to get out of the way of the innumerable cheap automobiles, tied together with bits of string and driven by moon calves as vacuous as themselves. Traffic experts will tell you in all seriousness that this partially accounts for Los Angeles' appallingly high death rate from street accidents.

These are the people who flock by the thousands into new churches where Christianity is combined in the jolliest way with snappy jazz bands; who cluster at movie "premeers" to stand and gawp for hours at the limousine customers; who patronize with pleasure an ice-cream stand in the shape of a vast ice-cream cone, a hot-dog emporium built like a hot dog, a drive-in butcher shop with a six-piece orchestra; who will under no circumstances buy potato chips unless the girl who sells them is dressed like an Elizabethan page boy or a hula dancer. To say all this is not to deny that there are some intelligent and sophisticated people in Southern Cali-

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respective proportions; a good many of the intellectuals admit frankly that they feel rather like victims standing at the bottom of a well where the waters of ignorance, and the cruelty that ignorance breeds, are already shoulder high and still rising.

The Embattled Rentier.—The prevailing psychology of Southern California is a compound of several things, including the attitude of the horde described above and that of the elderly man from the Middle West who has retired with a little money and wants to spend his declining years where it is warm, and without working. Many of these individuals do not attempt to live on interest or dividends, but divide their resources into their expectation of life, and spend each year that year's share. Under the salubrious California sun, some of them live longer than they had estimated, run out of money and face a plight that is pitiful indeed. No wonder Dr. Townsend came from Long Beach! Even among those who have still a little money saved, many take one room in a cheap lodging house, eat a bowl of soup in a cafeteria, and haunt the movies looking for a day's work now and then as an extra, despite the narrow gate of the Central Casting Bureau. Others are forced to give up and go on relief; Los Angeles County's proportion of such cases, despite the lack of an industrial population, is said to be far above the national average.

While this area suffered deeply in the depression, hard times are an old story to its inhabitants, of all ages and occupations. Southern California is an open-shop community with low wages, insecurity of employment and an oversupply of would-be workers who have drifted to the West Coast, not, as Upton Sinclair's enemies have said, in expectation of living under his Epic plan, but simply because they feel it is a little easier to be poor in a warm climate than in a cold one. For all these reasons, Southern Californians have the reputation throughout the West of being thrifty to the last degree. Said a filling-station attendant, far out on the desert, as a car with California plates drew up, "Here comes one of them damn I.W.W.'s from the Golden West." After the car had departed again he explained his remark: "I.W.W.—all them birds ever want is Information, Wind and Water."

Southern California tries as hard to keep poor

rich as tourists or permanent residents. Part of the technique of the publicity for the latter purpose, a scheme which has been copied by Florida, is to hire a troop of chorus girls who are kept on the payroll the year round and photographed once a fortnight, en masse and as nearly naked as possible, doing any idiotic thing the press agent can think of. These pictures are distributed free to newspapers all over the country to be published with a few words of text under a California dateline. The argument of press agent and publishers alike is that Legs Is What the Public Wants, and the enterprise succeeds like everything. The booklet about California distributed free to all passengers on westbound trains is a masterpiece of misrepresentation by means of the camera. The photographers have managed to make California seem like a densely overgrown tropical jungle, inhabited almost entirely by the beforementioned unclad chorus girls, lying about in languorous attitudes. I understand there is a high annual mortality among elderly gentlemen who, after perusing these booklets, get off and run ahead of the train in the endeavor to arrive a little sooner. The tourist racket is nothing like what it was seven years ago, when Los Angeles built 300 houses and one hotel, on the average, every week for a year; but it is still fairly good; and it still continues to produce such standard phenomena as large front-page headlines when Florida has a hurricane and extremely brief and inconspicuous items when California has an earthquake.

The Growth of Intolerance.—As one who lived many years in the Far West, and has returned to that area at fairly frequent intervals ever since, I was interested to note the increasing atmosphere of repression that one finds in California today. This is a familiar story of which little need be said in detail except that it still goes on and, in the Sinclair Lewis phraseology which headline writers have recently found so useful, it does happen here. The vigilantism that came to its climax at the time of the San Francisco general strike has left a mark on the state that would be visible for decades even if the impetus behind these activities were to stop tomorrow, as heaven knows it will not. On more than one college campus (though certainly not all of them in the state) the authorities and fascist-minded undergraduates combine in seeking to terrorize liberal and radical students into a silence about as complete as that produced by the "dangerous thoughts" law in Japan. Most of the state's big newspapers (with distinguished exceptions like the Manchester Boddy journals in Los Angeles) are engaged in a feverish Red hunt—and they know all the tricks.

In Los Angeles, the notorious Red Squad of the city's police goes on breaking up meetings, invading homes, destroying property and beating up or otherwise harassing anybody who for any accidental reason comes under its attention, if he is not present at the Hearst [illegible]

body would be much surprised if the San Francisco shipowners and their allies were to declare a mighty war against the longshoremen with the intention of breaking up the union once and for all and creating an open-shop waterfront. Editors, teachers, ministers and others whose opinions are more or less a matter of public record feel a crushing burden of hostility, of potential or actual censorship, that is having its usual effect: it is tending to drive the progressives, the mild reformers, over to the extreme left, and to push that left in turn underground.

If one seeks to understand the extraordinary brutality with which many California employers, especially in agriculture, treat their workers, there are several things to be noted beyond the mere fact that here are private capitalists greedy for profits. (After all, England is also full of private capitalists, yet any British employer who acted by the normal standards of California would undoubtedly be hanged by the neck in front of the Houses of Parliament.) One point is that California is really isolated from the main currents of opinion in older, more settled communities that have had time enough to think these things over; cut off by mountains and desert, the East seems very far away and Europe, broadly speaking, simply does not exist. Another is that California's tradition is always of dealing with common labor of an alien race or otherwise especially helpless: Chinese, Japanese, Mexicans, and white workers who have been mostly itinerants. Despite the efforts in their behalf of the Industrial Workers of the World, years ago, and of other left groups in more recent times, these drifters are usually easy victims of exploitation, particularly when the local police stand in with the employers, as they always do.

The pioneer in any part of the world is always as tyrannical as he dares to be, and there are still vestiges of the pioneer spirit in the West. Many of California's Big Men have business connections in the Orient, travel there often and come home with a permanent confusion in their minds between the status of a Chinese coolie in Shanghai and a free white longshoreman in San Francisco. Some of these men have said to me frankly and in so many words that they believe Tom Mooney is innocent but hope he will spend his life in San Quentin because "if we let him out he will only make trouble." They would, I am sure, endorse the suggestion that is now beginning to be heard all over the West, that any unemployed person should have his right to vote suspended during the period he is on the relief rolls.

Townsend Redivivus.—Of the various new political movements that have emerged in California in the past few years the Townsend Plan would seem, if a hasty tourist's impression is of any value, to have far outdistanced the rest. One hears little at

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ous small politicians to get their heads above water in their own districts. Not only in California, but in every other Western state I visited, the Townsendites are going strong. (I am told that in the state of Washington, which I did not visit, the Technocrats are powerfully and effectively organized.) It is impossible to pick up a paper from any town west of the Mississippi without finding two or three notices regarding local meetings of the Townsend clubs. People who ought to know tell me that while Dr. Townsend remains the impractical elderly dreamer he has always been, he has young and able lieutenants who are competent organizers, and sweep aside arguments that the plan is economically impossible with the answer, "Let's try it and see." It is as popular in the Mountain States, where the elderly constitute less than the normal percentage of the population, as it is in Southern California, where their ratio is unusually high. I am not greatly impressed by the boast of the Townsend leaders about the number of states they now control; but I am impressed by the sense you get of growth and potential power. No movement is important in this country until it turns up every day in every community; every movement is important of which that statement can be made and supported.

The universality of the plan's attraction is obvious: it is simple and direct, and it promises a concrete benefit in the form of $50 a week (or more or, at first, less: the Townsendites are not dogmatic about this point). It appeals to the old, who at present in so many cases must live on the grudging charity of the young; it appeals to the young, who are now forced to support the old at heavy sacrifice, or fear they may themselves grow old without financial resources. It promises that this depression will end and no more will ever come. When Social Credit won that famous election in Alberta a few months ago, it was clear, I think, that what the Albertans actually voted for was a modification of the Townsend Plan, under which pensions would be given not merely to the aged but to every adult. I am told there is a strong likelihood that several other western provinces of Canada will go the same way in the next few months. While it seems unlikely that either Mr. Roosevelt or the Republican presidential candidate in 1936 will endorse the Townsend Plan, as things are moving today a good many elections to the Senate or the House of Representatives are likely to turn upon it. In that case the country may wake up in January, 1937, to find the Townsendites with a very impressive minority, in one or both houses. It is not unthinkable, certainly, that they might have a majority in the House of Representatives—and perhaps even in the Senate. Politicians love a band wagon.

The Non-humid Arcady.—The proper place to think quietly about the raucous civilization of Los [illegible] to me

chanting place on earth. At the moment, the part of the Colorado Desert in Southern California that lies nearest to Hollywood is having a great vogue among the movie stars and certain other fashionables, and all winter long, at Palm Springs and a few such places, the vast $25-a-day hotels are filled with smart people recuperating from the strain of making pictures for the twelve-year-old mind or, in certain cases, trying to bake out of themselves the results of excessive drinking so that they may go home and drink to excess. I am told on good authority, however, that of this population not three percent loves the desert for its own sake, and that in a few years it is fair to assume that the tide of fashionable approval will have subsided again and the real habitués—the "desert rats"—will no longer be annoyed to spy some beauteous Hollywood houri sunbathing behind every second cactus—or am I wrong in my assumption about the attitude of the desert worshipper under these circumstances?

At any rate, there is still plenty of desert left practically untouched for those who want miraculous beauty, primeval hush, and air so dry that it stings in the nostrils. I know a canyon—let us christen it Santa Ysabel for discretion's sake—where a tiny mountain stream tumbles over gray and purple rocks that glow deep red when they are wet. Behind is the vast bulk of a mountain; before you are fifteen hundred square miles of the desert's open face and beyond that again, a mountain range that changes all day long from turquoise to amethyst to coral and purple and back again. The desert vegetation is a dusty gray-green during most of the year, a carpet of flowers in spring; but up in the canyon by the watercourse there are always bright green fronds, the sound of the stream and, under the shoulder of the rocks where the blazing sun does not beat down too fiercely, the masterpieces of the lichen-painter, lemon-yellow, purple, rust-red and every shade between. At night the moon comes above the ridge silver-white and infinitely cold, sharp and still; by day, the sun seems to pulsate in the sky, its heat dominating the desert with an overlordship unquestioned. As you sit above the valley on a shoulder of the rock, watching through binoculars for thirty minutes a tiny train across the valley doing sixty miles an hour, but still unable to escape your vision or to reach you with its angry whistling, which is recorded only as jets of steam hanging a moment in the air, the California of Mr. Hearst, of police clubs and half-starvation and movie premeers, seems like a particularly bad bad dream. . . . When the Fascist dictatorship comes, could I please be interned in Santa Ysabel Canyon, with a deck chair? Well, I didn't think so; but no harm in asking.

BRUCE BLIVEN.

Los Angeles.

This is the third of a series of articles reporting conditions observed during a transcontinental tour.

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The Man in the Mirror

Almost anywhere in the world.

A hotel restaurant: a traveler comes in and sits down.

THE Traveler *(to himself):* This question forever unanswered, this issue forever unsettled! It thickens in the air between man and man till we can no longer see one another: it blurs the eye of the man at his work; it comes even between man and woman. We may drink together, but the wine does not merge us; we may talk, but the talk does not direct us. We may swim in the little river, with white goats on the green of the bank; but when we stand in the open meadow, we find that the man in the soft hat is there. The man in the soft hat whom we think we have seen before. Outside the room where we are trying to make love, he is walking back and forth past the window. And wherever we go, he is there—standing aside and pretending not to watch. He numbs the imagination; he stops thought in its flight from mind to mind; he keeps the traveler from the freedom of the world. While we wait for the settlement and the answer.—But an unknown person approaches: he must not suspect this soliloquy.

The Waiter *(handing him the menu):* Yes, sir?

The Traveler *(studying the card):* Give me some—let me see—

The Waiter: Excuse me, sir, but didn't I see you today outside the opera?

The Traveler: You may have: I was there—buying a ticket. *(To himself)* I wonder whether he knows that those headquarters are just around the corner.

The Waiter: Wonderful performance of "Bulbul" they're giving.

The Traveler: I haven't seen it. *(To himself)* Has "Bulbul" political implications?

The Waiter: Ah, you ought to hear Gazouli, sir!

The Traveler: Really? *(To himself)* Now what have I heard about Gazouli? *(To the Waiter)* Bring me some—let me see—*(to himself)* I should stick close to the cuisine of the country. *(To the Waiter)* Bring me some jellied gulls' lungs. *(To himself)* That's a dish I detest, but never mind.

The Waiter: What else, sir?

The Traveler: Nothing else. *(To himself)* This damned hotel makes me uncomfortable: I think I'll go somewhere else.

The Waiter: Very good, sir. Jellied gulls' lungs. *(He goes.)*

A Man and Woman come over and sit down at the same table with the traveler.

The Man *(speaking in a language which he guesses the traveler understands):* May we sit down here?

The Traveler: Certainly. *(To himself)* Now I've been saying when *you've* known everything why do they have to sit h— Did

The Man *(to the Woman in a different language):* What did you do with the letter from D.?

The Woman: I gave it back to you.

The Traveler *(to himself):* They're speaking the Blankville dialect. They evidently assume I don't understand it—or are they trying to find out whether I do?

The Man: I haven't got it in my pocket now.

The Woman: I gave it back to you after I read it.

The Man: I've looked for it everywhere. You don't think it could have been stolen on the boat?

The Woman: There was nobody who seemed suspicious.

The Man: I don't know: what about that captain who insisted on giving us that champagne and asked us so many questions?

The Woman: I thought he just wanted company and thought you were somebody interesting. You may be right about him though. He seemed to have connections in both countries. We ought to go by the other line, after this.

The Man *(after a moment's silence, in a low and vehement voice):* The captain didn't take that letter!

The Woman: Don't you think so?

The Man: I don't think so and you don't think so!

The Woman: I don't know—

The Man: You *do* know: you never gave me back that letter!

The Woman: I did: I remember distinctly—

The Man: And you never gave me back the files of "Justice!"

The Woman: I sent them to D.

The Man: He never received them. I haven't spoken of this before. I've been trying not to believe it—but now I *know* it's true! You're a spy!

The Woman: Good heavens! don't say things like that. It's your nerves. You must get away and rest.

The Man: I've always felt that your interest in our cause wasn't real! And you'd been a spy from the very beginning. That's the reason you would never tell me what you did before I knew you. I've been married seven years to a spy!

The Woman: What I did before I knew you, if you want to know, was work in an amusement park. I was a three-legged woman with a rubber leg. I was always ashamed to tell you.

The Man *(sneering):* It was your apprenticeship to imposture, I suppose. If you were as clever as you are now, you must have been a great success!

The Woman: Don't: you're all unstrung!—And be careful: how do you know that that man across the table dosn't understand what we're saying?

The Man *(laughing with bitter sarcasm):* What difference does it make now if *he* understands what

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that he's the kind of man who understands no language but his own.

The Woman *(becoming grim):* You know what I think? I think that you're trying to provocate me. I've seen you do it with other people. You want me to get angry and say things that you could think were disloyal to the cause. You're losing all sense of perspective. You've gotten so you really *want* to have it that everybody is on the other side!

The Waiter comes up with the Traveler's order and hands the Man and Woman menus.

The Traveler *(to himself while they order):* Suppose the whole thing was staged in order to provocate *me!* Strange that they should talk Blankville when I happen to know it, though by their accents I should say they were probably not native Blankvillers. If I don't turn them in to the police, they'll conclude I'm a sympathizer and arrest me.

The Waiter bends over and picks up a piece of paper.

The Waiter: Is this yours, sir?

The Man: Yes: thank you.

The Waiter goes.

The Woman: D.'s letter?

The Man: Yes. *(With a significant look)* The waiter!

The Woman: But why did he give it back?

The Man: Why not? So as not to arouse our suspicions. All they want is to know what's in it.

The Woman: He did seem a little unauthentic. Yes: I believe you're right. He has that piercing and fatuous look in his eye that all the detectives have.

The Man: All he needs is the soft hat.

The Woman: I believe I've seen him somewhere before.

The Man: And that man across the table, who is he?

The Traveler *(to himself):* Dear me, it's getting very difficult to look as if I didn't understand. Did they see that I felt self-conscious when I ate that olive just now. It's too late in the meal to eat an olive.

The Woman: Oh, a harmless tourist, I've concluded. I think you were right in the first place.

The Man: I'm not sure. He's too crass-looking to be a tourist and he has one of those deceptively expressionless faces.

The Traveler: Oh, waiter!—I want the check, please.

Second Waiter: Your waiter will be back in a moment, sir.

The Traveler *(to himself):* They're so firm and short with the guests that it's as if they weren't regular waiters, but knew that they had people in their power!

The Man *(who has been brooding, to the Woman):* The waiter might have taken the letter [illegible]

yourself—you're beginning to be watched by our own people. You're carrying things to such lengths that they think it can't be genuine. They think you're working for the authorities and overdoing it.

The Man: And you think so, too, do you?

The Woman: No, but—

The Man: Who thinks so? D.? Did that come from D.? I can tell you who's the real stool—I've thought so for more than a year. He wants to get me out so that he can sabotage the whole organization! It's been D. from the very beginning. Every policy that he's proposed has been suicidal. He sold us out to the Browns. He was wrong about the split with the Blues. He—

The Woman: You're insane! If any man in the world was ever loyal and straightforward and sincere—

The Man: And you love him?—

The Waiter comes up and the Traveler pays his bill.

The Traveler *(to himself):* Now to get through the ordeal of the finger-bowl. I hope my movements don't seem constrained.

The Waiter *(to himself):* With that letter they tried to frame me!

The Traveler leaves the table and makes his way to the corridor, putting on his hat and coat.

The Traveler *(desperately, to himself):* Stay at home! Stay alone! see nobody! Wait till you know who's who and where you are. Be glad you can trust yourself!—*(As he sees a figure approaching down the hall)* By Jove, there he is again—the man with the soft hat! The man with the soft hat whom you think you've seen before.—Now to get past him without showing him you're aware of him.

He walks into his reflection in the mirror.

EDMUND WILSON.

Mountain Heritage

I shall not leave these prisoning hills
Though they topple their barren tops to level earth
And the forests slide uprooted out of the sky.
Though the waters of Troublesome, of Trace Fork,
Of Sand Lick rise in a single body to glean the valleys,
To drown lush pennyroyal, to unravel rail fences;
Though the sun-ball breaks the ridges into dust
And burns its strength into the blistered rock
I cannot leave. I cannot go away.

Being of these hills, being one with the fox
Stealing into the shadows, one with the new-born foal,
The lumbering ox drawing green beech logs to mill,
One with the destined feet of man climbing and descending,
And one with death rising to bloom again, I cannot go.
Being of these hills I cannot pass beyond.

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Washington Notes

The Townsendites Wax Strong—Borah Becomes a Townsend Soldier or Else—Is Colonel Knox Too Innocent for Politics?

THE SKITTISH negotiations that have been in progress between the inflationist members of Congress and Dr. Townsend have apparently broken down. Last winter the Townsendites, led by the whimsical J. S. McGroarty, poet laureate of California by legislative fiat, were glad to obtain aid from Representative Lemke and other House inflationists. But the Townsendites have now grown strong, and want no help from outsiders.

The legislative force of the inflationists, in any case, seems to be dwindling. Their strongest leader is still Father Coughlin, but apparently he cannot be made to act. His great plan for organizing voters in every congressional district has evaporated, no one seems to know why. In his recent Sunday radio speeches, his attempt to be both for and against Mr. Roosevelt—after the fashion of General Johnson—has shaken the trust of his followers.

The Democratic Party's decision to permit a vote on the soldiers' bonus when Congress opens next month is proving a great blow to the inflationists. The inflationists and the bonus advocates have been allies for three years, voting for each other's bills and signing each other's petitions. The bonus bloc now wishes to avoid any suspicion of friendliness with the inflationists. As a result, the likelihood of an inflationist success seems past.

Professional politicians are increasingly impressed by Dr. Townsend. Like the "Share-Our-Wealth" clubs of the late Huey Long, and the National Union for Social Justice of Father Coughlin, his movement has the political advantage of appealing to religiously minded voters. "Onward Townsend Soldiers"—the marching song of the Townsendites—illustrates the heavenly flavor he imparts to his demand for pensions. By politicians, the church vote is greatly valued and feared. It is independent, not to be bribed, and usually when church members can be made to come to the polls, they can decide a close election anywhere except in the large cities.

Dr. Townsend, moreover, possesses a special merit of his own. Father Coughlin is, and Huey Long was, physically soft, luxurious and unwilling to undergo the discomforts required of a mass leader. For all his years, Dr. Townsend is tough, and the prospect of days and nights on trains and in country hotels, during which he is constantly fingered over by strange and tiresome people, fills him with contentment. He has been averaging three or four speeches a day for months and seems to be thriving on it.

Everyone who has taken part in a majority movement knows that back-breaking work is the thing that obtains votes—ringing doorbells, mailing literature, speaking on street-corners. Dr. Townsend's artless gift for inspiring his "Townsend soldiers" to practical political activity seems to be the explanation for the movement's recent primary victory in Michigan, where its candidate for the Republican nomination as Representative, Verner W. Main, won over [illegible] M. Sabin and her followers in the Women's Organization for Prohibition Reform, four years ago, brought about the defeat of Representative Louis Cramton—the most brilliant bit of pressure politics in recent times. Cramton was a prominent dry, and his defeat, accomplished almost entirely by ringing doorbells, terrorized his colleagues in the House. Almost by itself, it forecast the repeal of prohibition. If Townsend sticks to his present technique and wins a few more primaries, he will create panic among the old parties.

Apparently the relations between Senator Borah and the Townsend movement are now of the most delicate nature. Observers here are confident that Borah has no serious intention of trying for the Republican presidential nomination, although he might change his mind later on, and unquestionably wants to be an important figure at the convention and have power to dictate the nominee. His real wish is to be reëlected as Senator from Idaho, where the Townsendites are now extremely active. They are so active, indeed, that Borah has found it expedient to nod in a kindly manner in Dr. Townsend's direction. With a zealot's honest sense of his own worth, the doctor is wholly unimpressed. He proposes to treat Borah like any other candidate. If Borah wishes to become a "Townsend soldier" the Townsend movement will support him. Otherwise, it will support his opponent, Governor C. Ben Ross, a wily, resourceful campaigner. Ross can give Borah a sharp run in any case, and if he can obtain the Townsend movement's full strength, he might beat him. However, if Borah now comes out for Townsend pensions, it will be a confession of weakness, and will have a disastrous effect on his national prestige.

R. E. Clements—ex-real-estate operator, near-millionaire in 1929, once Dr. Townsend's employer and now his strategist—claims eleven Western states: Arizona, California, Colorado, Idaho, Montana, Nevada, North Dakota, Oregon, Utah, Washington and Wyoming. All eleven, however, have only the relatively tiny total of forty-four votes in the House. But the most serious obstacle that faces Dr. Townsend is the probable shortness of the coming session. The Roosevelt administration will offer two extremely controversial measures—permanent neutrality legislation and a future relief program—each of which may take weeks. The bonus may also need considerable time. Although many administration legal advisers no longer fear an adverse decision by the Supreme Court in the A.A.A. cases, other parts of the administration's program are likely to be invalidated, and either the President or organized labor may press for a constitutional amendment. Next year is election year, and members will be in a rush to leave. Repeatedly it has been demonstrated that a measure lacking administration support cannot win against an appeal for adjournment. If, by petition or otherwise, the Townsend plan reaches the House calendar, a motion for adjournment will certainly be offered. It is doubtful if Dr. Townsend can have a vote in Congress before sometime in 1937.

Henry H. Curran, once borough president of Manhattan and now director of the National Economy League, performed a useful and unexpected service in revealing the [illegible]

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presidency. Curran wanted to be sure of Knox's virtue before inviting him to speak at a National Economy League dinner, and sent him a catechizing letter on the bonus. Knox answered that, while he was wholly against the bonus in principle, nevertheless he was for paying it at the next session of Congress, on the practical ground that payment would embarrass Mr. Roosevelt. This is probably a fair statement of the attitude of most Republicans, but few of them would dream of saying such things aloud. The impression made here in Washington is that Colonel Knox is a very innocent man, too innocent for the ways of politics. Such chance as he had of gaining the Republican nomination has been sharply reduced.

Washington. T. R. B.

Other People's Money

Who Gets the N.R.A.'s Remains? A Suggestion for Secretary Roper—The Industrialists Hail Recovery

THE PALE ghost of the N.R.A., which Major George Berry has been guiding around, is now about to be laid. The Major had planned a great conference of industry to revive the N.R.A. But business leaders are apparently convinced that Roosevelt is not a true friend or that they can't believe him, and so they repudiated the Major's effort to rejuvenate General Johnson's extinct carrion buzzard. The Major now concedes woefully that his patriotic effort is dead. But let us not be too trusting.

At the same moment a voice is heard from the department presided over by that staunch New Dealer—Daniel Roper. George Creel once described Little Daniel as nourishing in his bosom an unconquerable belief that there was something good in the worst big business man. On that principle he assembled in the Department of Commerce a group of about forty or more great industrial leaders in what he called the National Industrial Advisory Council. Presently, at the moment when everybody thought the money changers and the big Republican business men were being driven from the Temple, Dan had his department crawling with steel, auto, textile, railroad and other magnates. Little Dan, small of bone but big of brass, announced right in the middle of the Roosevelt revolution that this group was there to "weave the pattern of America's economic future." When the N.R.A. was rolling along in its first noisy flight, this group got on page one on a certain day with the formal proposal to the President to turn the whole N.R.A. over to the United States Chamber of Commerce. General Johnson promptly spoke well of the idea. The great revolutionary leader himself suggested that the time was not quite ripe for this move. It is a little incredible that this episode is utterly forgotten. It is also incredible how near this amazing folly came to realization.

Now, however, as Major Berry announces his abandonment of the remnant of the N.R.A., Little Dan's Business Advisory Council is right on the spot. It proposes that the remains of the N.R.A. be turned over to the Department of Commerce to be worked on. It would be a far [illegible] would have come from the logical development of the N.R.A. Instead of taking the N.R.A. into the Department of Commerce, it would be far better to make a present of Little Dan to the Chamber of Commerce, where he properly belongs. It is also high time to permit the Advisory Council to dissolve.

In April, 1933, a faint stir was felt in business. Then we saw the curve of business suddenly shoot upward. By July 18 it was higher than it had been at any time since the collapse. It has never been so high since. This was the result of an inflationary movement when everyone believed that inflation was coming quickly. It collapsed swiftly July 18, 1933, and sank back close to the old lows. But now—two and a half years later—the curve of business activity has risen nearly to that July, 1933, peak. It will probably go higher under the impact of the Christmas trade before it recedes at the end of December.

This is called recovery by everybody. The President glories in it. The Reserve Board proclaims it. Even the Republicans hail it. And the advertising salesmen are lyrical. The theme of the song is that we are in the arms of recovery. This has made Mr. Alfred P. Sloan and various other industrialists cocky and a bit impudent, in fact. They are over their jitters. They believe, these naïve, ignorant men, that somehow business by its natural processes is moving back to recovery in spite of Roosevelt. In Detroit they like to speak of the motor makers leading the march back to recovery. In their simplicity they suppose it is their energy, initiative and courage that are leading us out of the valley.

At the end of five years of depression they still have not the faintest notion what caused the disaster, what prolonged it, or what is working in the economic situation. With the faith of little children—greedy children, too—they imagine that a nation with 10,000,000 unemployed and another 10,000,000 below the subsistence level, with 20,000,000 people on government relief, with banks owing billions to the government and held open by government guarantees, with railroads popping into bankruptcy and others held out by government loans, with foreclosures at a record peak and farms and homes owing billions to the government on mortgages, with crop prices pegged by government action and farmers drawing hundreds of millions of dollars in subsidies and with the government pouring about $300,000,000 a month into business through government spending, which alone supports the economic machine—these gentlemen think recovery is here. Well, there is a rude awakening ahead of them. JOHN T. FLYNN.

The Presences

Break silence. You have listened overlong
To muttering mind-wrought voices. Call for lights.
Prove these insisting haunting presences wrong
Who mock and stultify your days and nights.

Dawn comes, and recreates the sleepless room;
And eyesight asks what arguing plagues exist.
But in that garret of uneasy gloom
Which is your brain, the presences persist.

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On the Labor Front

Lifting the Veil on Unemployment—The Anti-Union Postal Drive Starts—Sing and Like It

THOUGH the administration has never published any figures on unemployment, there have been frequent rumors concerning an official, but secret, estimate that various federal agencies have been using for their own guidance. Last week the veil of secrecy was lifted and this estimate—originally prepared for the President's Committee on Economic Security—was made public. By a curious paradox these semi-official figures make the unemployment problem look worse and the accomplishments of President Roosevelt look better than any other estimate yet published. They show that the peak of unemployment (in March, 1933) was 15,071,000—roughly 1,500,000 higher than either the estimate of the American Federation of Labor or that of the National Industrial Conference Board. They also show, however, that since then (during President Roosevelt's term of office, that is) nearly 5,000,000 persons have been reëmployed in private undertakings. This is about 1,000,000 more than is shown by the figures of either the A.F. of L. or the Conference Board.

It is important to note, however, that the estimate of 5,000,000 reëmployed is merely a bookkeeping item—a useful figure for political speeches. For it does not represent the actual reduction in unemployment between March, 1933, and the present time. That figure, according to the semi-official estimate, is only about 4,000,000—representing a net decline from 15,071,000 to 10,915,000 in September of this year. The discrepancy is accounted for by the addition to the jobless of nearly 1,000,000 new recruits, coming out of schools and colleges.

There is good reason to believe that this new estimate, prepared with all the resources and statistical information available to the government, is better than any other that we now have. Even so, it is only a guess. This was admitted by Mr. Robert R. Nathan, the government consultant on unemployment statistics, who made the compilation. His figures, he declared, were "nothing more than rough approximations." It is probable that his estimate of nearly 11,000,000 unemployed comes closer to the actual figure than does the Conference Board's estimate of about 9,500,000. But the truth is that no one really knows. It is all the more regrettable, accordingly, that the administration abandoned its original plan to use a small fraction of the W.P.A. appropriation on a genuine unemployment census.

Not unrelated to the problem of unemployment is that of technological changes in industry. The effects of such changes on women workers are covered in a study recently issued by the Women's Bureau of the Department of Labor. This deals with 250 technological improvements introduced into 115 plants over the ten-year period, 1921-31, most of them in the more recent five-year period. Before the introduction of these technological changes, 6,401 workers were employed on the same processes, a decrease of 44 percent. "In every case," the Bureau states, "this decrease was reported to be due to improved technology and not to lessened factory output." Indeed, in 70 percent of the cases reported, there were production increases ranging from 10 to 1,000 percent. In all but ten instances there were lower labor costs. Incredible as it may seem, nearly one-half of the women affected by the changes were earning less money after the change than before, even though the employers were clearly benefiting through increased production. About three-tenths of the women earned more, and these were predominantly in the lowest wage groups—less than $16 a week.

In what threatens to be a new anti-union drive by the Post Office Department, long known for its hostile attitude toward unions, two clerks in the New York City Post Office were recently dismissed, one with eight years of service to his credit. The charges brought against them—loitering from five to seven minutes, and hence presumably delaying the mails—were so trivial as to make it patent that these were not ordinary dismissals for the "good of the service." Both men, it happens, were active in union affairs, in fighting for better working conditions, in opposing political favoritism and especially in organizing a progressive opposition to the present conservative leadership of the postal unions. These activities have prompted the usual charges of "Red" agitation from both the postal and union officials. And, as usual, Mr. Hearst has obliged by running a series of articles in his New York American. "Postal officials," said The American on November 5, "have decided against any move which would permit the Red leaders to set themselves up as martyrs. Gradually they are being dropped from the service, but no mass dismissals are planned." Apparently, the two men recently dismissed are the first victims in this subtle campaign.

There is nothing like making the public believe that your employees are happy, contented and 100-percent loyal. And that is what the textile manufacturers are going to prove by means of moving pictures. The pictures will be taken in the most modern textile plants and will show the workers laughing, singing and maybe dancing at their looms or spindles. No, the pictures will not be distributed right away. They are going to be put into a film library. You see, the textile industry wasn't prepared at the time of the great textile strike in 1934. The result, according to a recent story in The Journal of Commerce, was that there were "a lot of people in and out of the textile industry who wondered, during the 1934 general strike, why the newsreels showed so many obviously union-inspired pictures of "stretched-out" workers and so few that gave any accurate idea of "either the type of people who work in cotton mills or the kind of living conditions they enjoy." The trouble was that there weren't any pictures of just that type available and that all the good mills were apparently closed by the strike so that pictures could not be taken of the "happy" workers. Well, according to The Journal of Commerce, the idea among textile leaders is not to get caught again in such an unfortunate predicament. If an

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CORRESPONDENCE

Congress Rules the Supreme Court

SIR: Like the Bible, the Constitution is much talked about nowadays but is little read. With all the hue and cry about "Back to the Constitution," exemplary self-restraint has been exercised in not citing Section 2 of Article III, which confers appellate jurisdiction on the Supreme Court "with such exceptions and under such regulation as the Congress shall make." The Supreme Court itself has declared that it "can exercise no appellate jurisdiction, except in the cases, and in the manner and form, defined and prescribed by Congress."

Shortly after the Civil War, anticipating an adverse decision in a pending case involving the constitutionality of the Reconstruction Acts, Congress took away from the Supreme Court its jurisdiction to decide the very case; and even though the case had been previously argued and submitted, the Supreme Court dismissed it. In another case the Supreme Court upheld an Act of Congress excepting from the jurisdiction of the Supreme Court the right to pass on questions of fact, although Section 2 of Article III provides that "the Supreme Court shall have Appellate Jurisdiction, both as to Law and Fact."

Without going into academic questions, it is plain that Congress can require that the government be made a party in constitutional cases. . . . It is also not improbable that Congress can put an end to five-to-four decisions and can take away the jurisdiction of the Supreme Court to review congressional findings of fact made the basis of legislation.

It is not to be expected that questions of national policy will be debated in a spirit of sweet reasonableness, but it is well to bear in mind that, without constitutional amendment, Congress has power to impair or improve the process of judicial review by giving heed to the cry: "Back to the Constitution."

Los Angeles, Calif. JOSEPH L. LEWINSON.

Peace at Los Angeles

SIR: The University of California at Los Angeles values above all else its good name, its standing with the people, the taxpayers of California. . . . That is why the Provost had to refuse a group of overeager young enthusiasts who wanted a student rally for peace to be called on Friday, November 8, at 11 o'clock in unison with students eager for peace throughout the nation. . . . That is why, at the last moment, by happy inspiration, he saved his University's grounds from the possibility of a peace rally by calling instead a rally for the football team.

Thus, after an impressive two-minute silence in honor of the war dead, the U.C.L.A. student body was haled to a boisterous football rally, while all classes, many with scheduled mid-term examinations, were dismissed for the hour.

Still did a hundred stubborn youths walk to the edge of the campus and make speeches, pass resolutions and form committees to work for peace. But their number was small, for only a few had learned of the time and place of their meeting. The vast majority spent the hour yelling lustily for football.

Thank God, the University's good name was saved.

Sawtelle, Calif. CATHERINE MINOR.

From The New Republic Mail Bag

Mexico gets the attention of two writers this week. Robert Hammond Murray of New York City objects strongly to our recent editorial [The New Republic, December 4] commending President Roosevelt for his refusal to intervene in religious affairs in Mexico. Mr. Murray says the President's non-intervention policy is hypocritical because America has already intervened in Mexico in a thousand ways, financial and political. Furthermore, [illegible] of Mexico represents a ing from Mexico City, deplores the reference in a book review by Clyde O. Hunter in the issue of November 13 to Bishop Kelley's book, "Blood-Drenched Altars." The reviewer referred to this volume as "a weak defense of the Mexican Catholic Church," but Mr. Murray thinks it was a sound volume that showed a greater knowledge of Mexico's current affairs and needs than was shown by the reviewer in dismissing it with such a summary and off-hand judgment.

The question-askers are with us again this week. Edward Thomas of New York City poses the pertinent query which he challenges any of our gold-braided admirals to answer—Why does the United States need a larger navy than Holland? He points out that Holland has more colonies than the United States and has four to five times per capita the foreign trade of the United States. If she can get along with a small navy, why can't we? Do we hear any answer from the Navy Department? . . . Morris Engel of Brooklyn disagrees with the conclusions in M. W. Fodor's article on Austria in our issue of November 27. Fodor spoke of "a moderate Christian-Social government" as the best guarantee for peace and independence for Austria, but Mr. Engel wants to know how any kind of capitalistic government could prevent economic penetration of Austria by larger and more powerful capitalist countries. . . . The Fellowship of Reconciliation sends us a copy of a letter signed by a number of outstanding peace leaders and addressed to the President of the United States protesting aganist the policy of universal military training now being instituted in the Philippines under the direction of General Douglas MacArthur. They want to know if the Philippine nation is being militarized to provide an auxiliary force for the United States Army and ask the pointed question: "Does the United States government visualize hostilities as probable between this country and Japan?"

Campus news of the week is headed by a letter telling plans for the coming conference of student leaders to be held at Columbus, Ohio, on the campus of Ohio State University December 28 and 29. The purpose of this conference is to bring about the formation of an American Student Union, and student councils, college newspapers, student religious societies, liberal clubs, fraternities and unaffiliated students have been invited to send representativs. The proposed American Student Union will reflect progressive student opinion and two of the organizations prominent in plans for its formation are the National Student League and the Student League for Industrial Democracy. . . . In the same mail comes an appeal for help from the University of Chicago, where the local chapter of the National Student League has been banished from the campus. Leaders of the organization ask sympathizers to write letters to Dean William E. Scott, 201 Cobh Hall, University of Chicago, urging the reinstatement of the organization.

From Paterson, New Jersey, comes news of the strike involving 8,000 workers in the silk mills. The strike is now in its fifth week and sympathizers are urged to send contributions to the Strike Relief Fund, American Federation of Silk Workers, 71 Washington Street, Paterson, New Jersey.

The tenth annual Christmas drive of the Prisoners' Relief Department of the International Labor Defense is now in progress. The organization looks after the wives and children of political prisoners in thirty-five states, and the secretary, Miss Rose Baron, asks that contributions in cash, clothing, shoes, toys or any suitable goods be sent to the Prisoners' Relief Department, International Labor Defense, 80 East Eleventh Street, New York City. . . . A similar request comes from Pioneer Youth of America, Inc., which is collecting a Christmas box for the children of miners in West Virginia. They ask that contributions of toys, clothing, books and games be sent to the Christmas Party Committee, Pioneer Youth, East Bank, Kanawha County, West Virginia.

The Henri Barbusse Memorial Committee reminds us of the dinner, advertised in last week's New Republic, which is being held at the Pythian Auditorium, 135 West Seventieth Street, New

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Workers in General

Mother, by Bert Brecht, based on the novel by Maxim Gorky, translated by Paul Peters. Civic Repertory Theatre, November 19, 1935.

First Lady, by Katharine Dayton and George S. Kaufman. The Music Box, November 26, 1935.

Boy Meets Girl, by Bella and Samuel Spewack. Cort Theatre, November 27, 1935.

THE DRAMATIST of "Mother," Bert Brecht, makes up his play from Gorky's story, published in 1907, and the story is brought down a decade further. It tells of an old mother joining the revolutionary party for the sake merely of protecting her son from the suspicions of the police. Before long she too begins to share the faith and credo and enthusiasm of those among whom she has cast her lot. In the crises that arise the red flag becomes her flag. The economis basis for revolutionary movement is gradually made clear, simply always, and, as the play proceeds, with sometimes a notable finality in stage terms. The play indictates through successive motifs and incidents the means and agencies by which a cause that is alive keeps itself alive in the face of opposition and despite the force of police and spies and authority.

Except where there has been tremendous discipline and a full past, no theatre company can get into such fields completely; there will inevitably be moments of a simplicity that is overelaborate or too self-conscious for vitality. It is equally obvious that a good many of the simple reductions of ideas will be of what is already known to everybody, so that people who agree with the point of view are inclined to be restive under this theatrical insistence in treatment. They may even be quite bored. And people who do not agree are not even interested. Nevertheless, it seems to me, if the Theatre Union was willing to foot the bill, in expense, effort and popularity, that it is only to be praised and that the occasion was worth trying.

There are eighteen episodes to "Mother." The décor consists largely of abstractions, or perhaps skeletons would be a better term. The lighting is frankly stage lighting, not realistic. There is a screen on to which words are thrown, so that you may know the titles of the chants or be informed of various meanings involved in the scenes as they happen along. The chants, eleven in all, with piano accompaniment, tend to come at the episodes' dénouements. It is all a simple scheme toward emphasis and what is called stark statement; and, up to a certain point, the method of it has possibilities of wide range. But many of drama's highest qualities are not possible to such a method. Drama at its highest points includes the ideal and the real all fused together; they are inseparable, as the thought is inseparable from the physical brain, as throughout nature and art the form is inseparable from the body. In the history of drama the supreme dramatic moments exhibit certain wings and breath of life that fulfill and support the matter on which they depend, exactly as the matter itself takes on meaning and time from them.

In the production that we see at the Theatre Union there is a certain theatre logic. The whole of it, without through the performance you feel pl[illegible]

"Mother" may have almost a religious importance. For many theatre-goers, of a good type too, there may arise the ghost of that indomitable phrase, *ars est longa.* Strangely enough, in a rattled world, or a world strong with issues and causes, the fact remains that everything in art is judged finally as if the millennium had arrived, with all causes brought into their ultimate conclusion and all man's experiences brought to their due end and weight. It thus appears that in a work of art, finality *per se* is a quality rather than a cause, intention or history. An artist must find his own causes, no doubt, but he must also find his own in a cause. In the case of "Mother," the event as a whole has not wholly found its own. But the members of the Theatre Union may regard their first production of this season as a definite point in their progress.

To attempt any account of the story of "First Lady" would be most unfair. It would mean that the impression of some difficult complexity would be created where, as a matter of fact, the piece seen on the stage runs with the most lucid and expert current both in plot and character. The situation falls in Washington and the dramatic struggle lies between two ladies, each one of whom has during the course of the play the voluble chance of being our First Lady. One of these ladies, with certain more or less possible resemblances, is the daughter of a former President, and has in a fairly wild, but really loyal, fashion a genuine part in her husband's existence. The underlying facts of "First Lady" give every impression of having a certain authority and first-hand knowledge. But as the piece emerges to its final form it moves towards Times Square somewhat and ends in being not so much a comedy of our national society, so to speak, as a social-political farce, packed in line after line with sure-fire cracks. Under Mr. Kaufman's direction it all keeps going, with no role slipping and with Miss Jane Cowl and Miss Lily Cahill, as the two ladies, playing their parts up to the hilt.

The comedy of Hollywood that we see at the Cort is, as a whole, sweetly careless and happy. It could, no doubt, be called a reminiscence of the celebrated "Once in a Lifetime." But it is, at once, less powerful, satirical and varied than the other piece. Its charm lies in its playboy quality, which is truly discovered in the two leading characters, the team of Benson and Law, writers of film dramas, kicked out of one studio after another, inventive, fluent and delightfully mad. You enjoy hearing the orchestra and echoing balconies rippling and bursting with laughter based on silly delight, and seeing the hits and satirical shots at one Hollywood situation after another, as they go gayly into the air, all blessed with the intention merely of amusing us. The writing team, the horse-opera hero, the waitress, so kind, fragile, foolish, devoted and irresistibly winsome, the director and so on, are merely contributions to the pleasure of the moment. Some of the inventions and motifs of "Boy Meets Girl" are beyond question witty and imaginative, and Mr. George Abbott has so directed the piece, with that restless certainty of his, that nothing is missed. The occasion is all happy and crazy, extravagantly based on an extravagant locale and possibility; and all

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BOOKS IN REVIEW

Types of Romanticism[1]

MISS Winwar has developed a type of group biography in which, as in family portraiture of the eighteenth century, we find the company assembled in characteristic poses and attitudes toward each other. In "Poor Splendid Wings" she found in the Pre-Raphaelite circle a subject made for her art, in view of the intimate association among the members of the Brotherhood and those drawn into their orbit. The Romantic Rebels do not form a similarly related group. Byron and Shelley were brought together in their exile by the enterprise of Clare Clairmont, Shelley's step-sister-in-law, in becoming Byron's mistress and the mother of his daughter Allegra, but the friendship languished after the little girl's death. Byron had only contempt for Keats's "onanism of poetry" and even Shelley's admiration for "Adonais" was posthumous. Leigh Hunt achieved connection with the three poets owing to the fortuitous circumstance of his imprisonment for libeling the Prince Regent. His intimacy with Keats faded as the younger poet learned to distrust his influence, and from Byron he received only a contemptuous patronage. Thus Miss Winwar is unable to bring her figures into a single composition; they remain isolated except for the unity supplied by the background of a great period of literary history.

Miss Winwar has the faculty of weaving into her narrative striking bits of evidence from the poetry and letters of her subjects and notes of their conversation and behavior from the records of their associates. For Byron such material is more copious than in the case of any other English writer, not excluding Doctor Johnson or Carlyle. No one could be in his presence without feeling the urge to anecdote. Thus Doctor Polidori, who was of Byron's suite in his exile, remarks of the arrival at Ostend: "As soon as he reached his room Lord Byron fell like a thunderbolt upon the chambermaid." Miss Winwar has made use of the Byron letters in the J. P. Morgan library to show clearly the responsibility of Hoppner, the English consul at Venice, and his wife for spreading the slander of Shelley's adultery with Clare. She defends Byron from the assumption that he failed to deliver Mary Shelley's letter to Hoppner, because that document was found among his papers, pointing out that Byron probably demanded its return. She shows the lack of foundation for the usual charge that Fanny Brawne contributed to Keats's tragedy by cruelty or indifference. In comparing the various accounts of Shelley's death, she inclines to the theory that it was the result of his determination at last to "solve the great mystery," as he had once before suggested to Jane Williams.

Altogether Miss Winwar's composite biography is justified by the vigor of her presentation of different types of romanticism, in all the impulse to escape from the conventional and commonplace world of organized society. In Byron this impulse took the form of personal defiance and release of energy in adventure which made him a popular hero; in Shelley it took the form of social and spiritual adventure which made him a revolutionist and an idealist; in Keats, escape became absorption in sensuous beauty of which the minister is art.

Mr. Quennell has also written biography with a difference. He has isolated the central period of Byron's life, "the years of fame," from July, 1811, when the first two cantos of "Childe Harold" were published, to April, 1816, when the exile began. He has had access to the Byron archives in the Murray collection, and to the copy of Moore's "Life" with annotations by Hobhouse. If these have not furnished facts startlingly new, they have proved suggestive toward and confirmatory of Mr. Quennell's interpretation of Byron's character, as it revealed itself in these crucial years in which Byron's worst poetry brought him the greatest rewards, the years in which occurred poignant personal adventures, the liaison with Lady Caroline Lamb, the incest with Augusta Leigh, the marriage with Miss Milbanke and the separation.

Mr. Quennell notes that "Byron was the first English writer whose personal life, opinions and alleged private habits evoked a degree of curiosity nowadays reserved for film stars, famous athletes and other heroes of the popular daily press. He was one of the victims of the modern art of publicity." And the character which he assumed in "Childe Harold" and its successors was perfectly adapted to the age. Byron himself suffered from the frustration resulting from the extinguishing of hopes which the revolution had kindled, under Castlereagh and the Holy Alliance, and others similarly frustrated found in his personal revelations a dramatization of their own romantic sufferings. And Byron stimulated this public interest by a course of innuendo, mystification and half-confession that would have done credit to the press agent of a moving-picture star. There was nevertheless something fundamental in Byron's character in this inexorable instinct for confession, by which he contributed to his own destruction. Mr. Quennell compares him to Oscar Wilde in this particular, but what was mere arrogant perversity in Wilde was in Byron a deep-seated conviction, derived from his Calvinistic inheritance, that sin and punishment are inevitably connected, in response to which the need to suffer was equal to the need to enjoy.

This interpretation of Byron's character explains his almost incredible behavior in what he contemptuously called his "treacle-moon" and during the year following. He undoubtedly accepted reluctantly the prison of marriage as a means of breaking off the incestuous relation with Augusta Leigh. He hated his jailer. Moreover, he argued that if Miss Milbanke had accepted him on his first proposal, he might have been saved from the capital sin of his life, so that if he did not actually marry for revenge, as Miss Winwar contends, he used marriage as a means of satisfying an understandable if unworthy animosity. And in all his torture of Lady Byron we feel that he was equally torturing himself. Though he declared in the carriage that bore the bridal pair from their wedding, "It must come to a separation," it is clear that he had no intention of pushing matters so far.

As for Lady Byron's character, the key is given by the remark of her mother, that she was "like proof-spirits—not fit for common use." Her romanticism was moral, her [illegible] stimulated by the duty of watching over

[1] The Romantic Rebels, by Frances Winwar. Boston: Little, [illegible] 507 pages. $2.50

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guardian angel, and his sardonic humor was excited by the opportunity to make his confessions to this candid soul. Mr. Quennell shows beyond doubt that it was not the discovery of incest which led to the separation. Lady Byron learned of this early in her married life and accepted Augusta in a spirit of "romantic forgiveness." "It was hopeless to keep them apart—it was not hopeless, in my opinion, to keep them innocent." After the birth of her daughter, Lady Byron had another element in her problem of duty. She realized that Byron's irritability was "connected with me to a greater degree than with any other object." She asked her physician to report on her husband's condition, and his verdict that Byron was not insane convinced her that their case was hopeless: "Had we continued together, he *would* have gone mad." The separation put the stigma of truth on all the rumors which had gathered about Byron's career, to which, indeed, his own attitude had given support. Mr. Quennell closes his book with an account of the ball at Almack's at which on Byron's appearance the ladies left the room "in crowds." It was a social disaster as decisive as Oscar Wilde's appearance in a London courtroom.

ROBERT MORSS LOVETT.

The Kingfish: In Memoriam

The Inside Story of Huey Long, by Carleton Beals. Philadelphia: J. B. Lippincott Company. 414 pages. $2.50.

Huey Long: A Candid Biography, by Forrest Davis. New York: Dodge Publishing Company. 323 pages. $2.50.

My First Days in the White House, by Huey Pierce Long. Harrisburg, Pa.: The Telegraph Press. 146 pages. $1.

MR. FORREST DAVIS, at the close of his book, suggests a simple epitaph for the grave of Huey Long—THE FIRST AMERICAN DICTATOR. It is a good suggestion, for the Kingfish (there is something homely and American about his self-selected title after Der Führer and Il Duce) was, in Louisiana, absolute monarch of all he surveyed. That he hoped to extend his rule over the whole United States was a secret known to everybody. The most valuable part of Mr. Davis' biography is that section where he reports Senator Long's plans for the future of America; the Senator openly confessing that, by abolishing the electoral college and making a few other "reforms," he would be President for at least sixteen years.

But the Kingfish is dead. Buried in his tuxedo he lies in the shadow of his skyscraper Capitol and, in death, much of his sinister aspect begins to disappear. Already, the mist of martyrdom veiling the strangeness of his political conduct, he is coming to be regarded (as he was in his earlier years) as an authentic leader of the forgotten and the dispossessed—the lost voice of another great cause. The future holds its own evaluations but it would not be startling if, as Mr. Davis points out and Mr. Beals suggests, his mischief is glossed over, perhaps sanctified, by time. Huey Long, it would seem, is on his way toward becoming an important historical personage—to be remembered, if for nothing else, as the first of our contemporary politicians to win an enormous following by virtue of his attacks upon the evils and inequalities of our present social order.

He deserves, therefore, serious attention; a deeply thought, documented work, which will investigate the social and economic reasons for his rise to power; which will see him, not as an isolated phenomenon in the backwash of Louisiana politics, but as [illegible] said, the foremost American democrat. Much

Neither of these biographies meets these requirements. Primarily journalistic, undertaken before the death of Senator Long gave them a special importance, they were obviously written—and I intend no offense in saying so—largely in response to a growing demand for information about the wild man from Winn parish and with eyes turned upon the presidential elections of 1936 and 1940. Considered as journalism, they are both excellent jobs. Mr. Davis is a first-line newspaperman and he is equipped with more than a mere knack for handling words. He has a faculty for organization, a sharp eye for detail, and ideas of his own. Mr. Beals has a long and honorable literary record and, while his book is not an inside story in any sense of the word, he has read almost everything published about Huey Long and, making certain contributions of his own, rewritten his gleanings with a fine burning indignation that fuses them together.

Both Mr. Beals and Mr. Davis have attempted, though incidentally, to explain the "why" of Huey Long. Mr. Beals, introducing Huey into a Cuban frame of reference, sees the Kingfish as another Machado, produced by the decay of a plantation-aristocratic regime. This is altogether too easy an explanation but up to a certain point the analogy is convincing. Mr. Beals's error is one of oversimplification. Looking only at Louisiana, he forgets the rest of the South. Absorbed in the history of Cuba and Central America, he neglects the Southern past. He fails to consider that there has been in the South, ever since the Civil War, a slow but sure rise to political power by the lower-middle class—the forgotten people of the Old South. Members of that class (Bilbo, Talmadge, Olin D. Johnson, Bibb Graves) are the political leaders of the contemporary South. The circumstances that produced Huey also produced them. Long was distinguished from most Southern politicians only by the facts of genius and his driving will to enormous power.

Mr. Beals's habit of making very broad and shaky generalizations, together with his tendency to minimize Huey's social reforms in Louisiana, robs his book of much of the value it might have had. It is well to say that Huey Long used gangster methods to control Louisiana but unwise to say, for instance, that "as a matter of fact, New Orleans and most of the parishes gave free textbooks before Huey ever made it a statewide issue"—when, as a matter of fact, New Orleans and most of the parishes did not. To obscure these facts is to obscure one of the reasons for Long's continued control of Louisiana. He went a long way on free school books.

Mr. Davis sees Long as a lineal descendant of the American frontiersmen and, in his somewhat sketchy examination of some of the figures and movements of the South after the Civil War, touches upon some of the circumstances that contributed to the making of Huey Long. His book is less ambitious than Mr. Beals's, more frankly journalistic, but it more than holds its own.

Of Senator Long's own book, there is little that need be said. It is a book like Upton Sinclair's "I, Governor of California," only louder and funnier. In it may be detected Mr. Long's fascist tendencies, his unshakable belief in his own destiny, his shrewdness, his humor, his economic ignorance. But all that is over. The Kingfish is dead. Nor can we cry, even if we wanted to, "Long Live the Kingfish!" There is no Kingfish. He is gone and the great tragedy of his life is that he could have been, as has already been

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At the Head of the Ruling Class

The Lords of Creation, by Frederick Lewis Allen. New York: Harper and Brothers. 485 pages. $3.

THE AUTHOR of "Only Yesterday," who has shown a talent for the writing of informal history, attempts here a financial-social history of the period from 1901 to 1935. At a rapid and pleasant gait he travels from the last days of McKinley to the early years of President Franklin Roosevelt; from the birth of the elder Morgan's billion-dollar trusts to the crash of Insull's one-hundred-story stock pyramids and the day of reckoning under the New Deal. The story closes with the money-changers of Wall Street rallying their forces after having weathered a heavy bombardment of political custard pies.

The first part of the book, dealing with the ante-bellum age, throws little new light on ground that has been well trodden by others. It is only after Chapter VIII, in which he begins a vigorous description of the frenzied finance of the 1920's, that Mr. Allen sounds full of his subject. Here are portraits of the great nabobs, the finance capitalists, Insull, Mitchell, Wiggin, the Van Sweringens, and the others who wielded "power without responsibility," who built skyscrapers in stock certificates, and launched the bull market "into the stratosphere." These men are the villains of Mr. Allen's piece; it is they whom he styles "The Lords of Creation," a derisive but quite accurate title, since, as we now know, bankers, finance capitalists and holding-company jugglers do compose our ruling oligarchy.

The best pages of this book are its lucid, simplified accounts of some of the newest refinements and devices of financiering used by men like Insull and the Van Sweringens. An Insull not only knew how to wrest profits from "widows and orphans" and from rival operatives in the marketplace, but had reached such a stage of beautiful degeneration that he—always within the network of his sub-holding companies—literally set his right hand to stealing from the left and registered the take on his books as dividends.

"It was the times." This was all that Albert Wiggin could say by way of apology before a Senate Committee in 1933. And Mr. Allen lingers ironically over these words. But what indeed does he make of it all? Cultivated, peaceable, apparently Christian in his sentiments, Allen views the scene of frenzied finance both before and after 1929 with a good deal of sorrow and pain. The New Deal policies do not deceive him, nor does Mr. Roosevelt console: the capitalists are once more unregenerate in their resistance to government meddling. But he rests his case in the end upon a note of bewilderment.

I should like to enter objections on two scores. One: the current, loose fashion of making the finance-capitalists goats, which Mr. Allen seems to adopt. If we abuse them and police them, it is implied, the system might be made to work better after all. But are not the industrial capitalists, even the ablest of them, such as Henry Ford, equally at fault in setting the whole society at strain and stress? A Ford harnesses the devils of technology; technology makes for mass production; mass production makes for monopoly; monopoly in turn brings finance-capitalism into control, usually without ownership or responsibility. Second objection: the House of Morgan, whose role in this country is only comparable to that of the House of Medici in Italy, [illegible] Mr. Allen he is so anxious to be fair in this case that he seems to be bent on saving Goliath from the rough hands of little David. In these pages the Morgan partners appear relatively respectable alongside of the "new Napoleons," of whom, we are told, they secretly disapproved. Even if they had wanted to, Morgan's could not have "called a halt to the wild financial proceedings." They could not have risked a pitched battle with an Insull or a Mitchell (despite their vast community of interest). They no longer stood in the strategic position of 1915 and 1916. They were partly to blame, but less than the others, it is implied. . . . All this gives a new and more modest notion of the role played in recent events by the little bank at the corner of Wall Street; albeit a little disappointing in view of the magnificent material published by the Senate Committee on Banking and Currency in 1933. The "respectability" and "soundness" of the Morgan bank should not divert anyone's mind for a moment from the overwhelming fact that this group of finance capitalists has been the head and front of the monopoly movement for fifty years; that it feeds today at the very heart of our troubled social system.

MATTHEW JOSEPHSON.

The Land of Proust

Time Past: Memories of Proust and Others, by Marie Scheikévitch. Boston: Houghton Mifflin Company. 320 pages. $3.

MADAME Scheikévitch was a young Russian woman who appears from these memoirs to have been on terms of the tenderest comradeship with nearly everyone of importance in the pre-war Paris world of society and the arts—Sarah Bernhardt, Maurice Ravel, Paul Morand, Anatole France, Jean Cocteau, Jules Lemaître and Madame Arman de Caillevet, in whom one persists in seeing the original of la Verdurin of Proust. Her sojourn in the queen of cities resembled a grand duke's tour among the great, or an endless voyage with the makers of masterpieces. In a word, she matured in a special Paris that can still best be studied in "A la Recherche du Temps Perdu."

In the summer the Scheikévitch family rented a villa at Marcel Proust's "Balbec" on the Norman coast with its phantasmic Grand Hotel and long stone pier where budding girlhood walked enlaced. Madame Scheikévitch disliked the pontifical and goatish Anatole for what she calls his invincible "caddishness"; but she loved Proust, and that author, in his fantastic, chivalrous way, loved her. ("To anyone who has known Monsieur Marcel, most other people seem vulgar," said the celebrated housekeeper, Celeste, after his death.) Her book contains a document of the first importance: a letter from Proust in which the writer effectively refutes in advance the popular impression that his vast novel was largely undesigned. He knew perfectly well, and years before, what was going to happen to Odette, Swann, Albertine, the Duchess, the Verdurins, Saint Loup—down to that marvelous morning party in the final volume where the aging hero (and since he was Proust himself he was one) dips the *madeleine* in his teacup, and simultaneously possesses, in a moment of physical sensation, the net vision of time recaptured.

Madame Scheikévitch, in short, made the very best of two worlds—one might also say, despite her real youthfulness, of two centuries, the nineteenth and twentieth. It is a pity that neither world and neither century, in her tenuous and

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Reprints and Gift Books

WHEN GOOD reprints come into the office for review, the literary editor likes to carry them home and add them to his library. He is stingy about reprints; he scotches the desire of other reviewers to own them. But always, before Christmas, he has to pay for his acquisitions by making a report on them.

If—so he says—there were a medal offered for the most useful reprint of the year, it would probably go to "The Tale of Genji." Arthur Waley's fine translation of this eleventh-century Japanese novel was published over a series of years in six fat volumes. It is now reissued in two slim ones, bound in smooth cornflower-blue cloth with brick-red labels —handsome and easy to handle (Houghton Mifflin, $5).

Among the cheaper reprint series, there ought to be a special award for the Modern Library (95 cents) and the Modern Library Giants ($1). Years ago the Modern Library specialized in bedroom classics for drugstore cowboys. Since then its whole nature has been changed, and most of the emphasis is laid on the more solid novels of the last thirty years. Two of the most popular titles are "Of Human Bondage" and "The Magic Mountain." . . . The Modern Library Giants are books that average a thousand pages each. The typography is good, but the binding is still unsatisfactory—a rough blue cloth that whitens in the sunlight. The youngest Giants are "Anna Karenina" and "The Complete Works and Letters of Charles Lamb."

Random House has published a new edition of Dostoevsky's "The Idiot," bound in red buckram and handsomely printed, with illustrations by Boardman Robinson ($3.50). . . . The literary editor has never read a line of hers, but he has had fingers shaken under his nose by people who insisted that the greatest English writer of the 1920's was Mary Webb. Three of her novels—"Precious Bane," "The Golden Arrow" and "Gone to Earth"—have been ornately reprinted by Dutton ($3 each).

"An Oxford Anthology of English Prose" and "An Oxford Anthology of English Poetry" are two dark-blue, gold-stamped volumes of 960 and 1,250 pages ($4.50 each). They were planned for use in American colleges, and it is doubtful whether the prose anthology will make its way outside the classroom: it seems especially suited for those pedants who believe that John Bullybeef Galsworthy should appear in a collection that omits Hudson, Shaw and Joyce. But the poetry anthology is so complete, so wisely chosen that it belongs in the library of everyone who can afford to own it. It is more satisfying than "The Oxford Book of English Verse" because it gives longer selections.

"Art in America," published by Reynal and Hitchcock, is a comprehensive popular survey of the graphic and plastic arts. It is especially valuable for the illustrations, of which there are hundreds, some in full color. Until January 1 it will be sold for $2.75 instead of $3.50. . . . We are not reviewing "The Woollcott Reader" (Viking, $3), even though it contains a thousand pages of pretty good reading matter—sixteen of the scenes and stories and complete novels that have given Mr. Woollcott "the deepest and most abiding satisfaction," that have begotten in him "an impulse to fill a wheelbarrow with copies and trundle it from house to house."—"The book is full of minor masterpieces," said the editorial assistant.—"Neither minor masterpieces," said the literary editor, making a worse pun than usual.—"I know what," said the editorial assistant. "We'll run a review entitled 'Meretricious and Ha[illegible]

Two Reading Lists

Books in several special fields, even important books, are very easily overlooked in general lists of recommended reading. Accordingly we asked Mr. Harold Ward, who reads the new scientific books, and Mr. B. H. Haggin, who keeps track of books on music, to list their favorites.

Science: Books Recommended

Poor John Fitch, by Thomas Boyd (Putnam's, $3). Because it shows what happened to a great American inventor who came before his time—and lacked the commercial skill to deal effectively with obstacles and enemies.

Genetics and the Social Order, by Mark Graubard (Tomorrow Publishers, 75 cents). Because it is an intelligent —and intelligible—presentation of genetics from the Marxian point of view, and a prime antidote to race prejudice.

Science and Social Needs, by Julian Huxley (Harpers, $2.75). Because it shows what science is prepared to do for man: when, as and if man gives the Open Sesame.

Men and Mountains, by M. Ilin (Lippincott, $2.50). Because it tells a little of what science is doing for the men and women who, in the U.S.S.R., have given the Open Sesame.

Outposts of Science, by Bernard Jaffe (Simon and Schuster, $3.75). Because it is a dramatic and responsible account of the best scientific work in the United States.

Genetics, by Hugh S. Jennings (Norton, $4). Because it is the splendid attempt of a great authority to explain in simple language the what and how (nobody yet knows the *why*) of genes, chromosomes and heredity.

The Voyage of the Chelyuskin, by Members of the Expedition (Macmillan, $3.50). Because it is a magnificent tribute to science functioning under a collective will to power and in the interests of a new society.

Geographic Patterns of Mankind, by John E. Pomfret (Appleton-Century, $4). Because it examines and clearly emphasizes the interdependence of man and nature.

Nations Can Live at Home, by O. W. Willcox (Norton, $2.75). Because it is a dramatic story of what a genuinely scientific agriculture could be.

A History of Science, Technology and Philosophy in the XVIth and XVIIth Centuries, by A. Wolf (Macmillan, $7). Because it is a monumental and scholarly source book for the history of science in the period of its first flowering.

Rats, Lice and History, by Hans Zinsser (Little, Brown, $2.75). Because it makes bacteriology come alive.

Music: Books Recommended

Music Ho! by Constant Lambert (Scribner's, $3.75). Because it is the first and only good book about modern and contemporary music.

Essays in Musical Analysis: Vols. I and II, by Donald Francis Tovey (Oxford, $4.50 each). Because in these notes on concert programs scholarship is leavened by feeling for music and enthusiasm, and enriched by an unusual background of general culture.

Hector Berlioz, by Tom S. Wotton (Oxford, $3). Because it is an authoritative but unpretentious and readable treatment of a great man and artist about whom the public has wrong ideas.

Mr. Haggin adds that "to get anything out of any of

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Books in Brief

Joseph Conrad and His Circle, by Jessie Conrad. New York: E. P. Dutton and Company. 283 pages, illustrated. $3.75.

THE MIXTURE of motives that worries and obscures Mrs. Conrad's record of her thirty years with a somber and irascible man of genius comes close to rendering her story more pathetic than heroic, and more tiresome than instructive. Her great fund of anecdote veers between impulses of self-justification and wifely defense of Conrad's eccentricities. Her frank effort to sublimate a lifetime of abused docility and sacrifice never forgets to urge the artist's rightful claims on his family and friends, or the fame these achieved by their dealings with him. She lifts the curtain on domestic intimacies that allow the surrounding "circle" only an incidental importance in the book. But by a curiously inadvertent art she also succeeds in disclosing the passion and resolution at the center of Conrad's character. Her volume, whose style and method seem best calculated to suppress all feeling for his achievements in writing, ends by emphasizing the fierce and searching purposes that surmounted the literary and domestic conventionalities around Conrad, to find their outlet in novels of unflinching honesty. Almost in spite of itself, "Joseph Conrad and His Circle" becomes a valuable commentary on a life of high dedication to literature, and on a series of novels still unthreatened by the changes and rivalries in contemporary fiction.

M. D. Z.

The Adventures of a Fakir, by Vsevolod Ivanov. New York: The Vanguard Press. 308 pages. $2.50.

This admirably translated autobiography has the human three dimensions and at the same time the miraculous elasticity of fairytale. Like all great Russian literature, with its flavor of tall tales steamed up over the samovar through a thousand years, it is an imaginative expansion, not a fantastic distortion, of reality. The Russians take themselves tragically, perhaps, but never seriously—no matter how much they pretend, they remain unashamed; and this humorous pity for themselves, and hence for others, makes the traditional Communists the true individualists. In all Ivanov's adventures we never come across an "average" man: there is always some idiosyncrasy that instantly distinguishes a character. From it all the author of "The Armored Train" emerges as a poor Siberian kid with a Buster Keaton appeal, who wanted to be a fakir and kept tumbling into odd jobs. The beggar rides on horseback: "The horse rose in the air, and I flew over his head. He flew over me. I flew over a snowdrift. A snowstorm flew over me." But an unaccountably free spirit soars, and sparks fly like shooting stars.

E. G.

The Dissolute Years, by Eduard Stucken. New York: Farrar and Rinehart. $2.50.

Though the main stress of this novel of Jacobean manners is upon the degeneracy of the court, it can be construed as an essay on the irony of history, and the original title, "Im Schatten Shakespeares," would seem to justify such an interpretation. Stucken's story is a courtier's story; there is seemingly no place for direct social pictures, and the concentration is upon those fastidious wastrels who liked to believe that their collapse, if ever, would resemble the effect of classical, aristocratic tragedy. The stage props are the involved networks of intrigue, conspiracy and grandiose love. Behind the characterization of the impotent and perverted James, mumbling his interminable Catullus, Stucken is able to recall vividly the life of Stuart England in all its swollen arrogance, and use the fleshy Queen, the Catholic belligerents, the effeminate favorites, the imprisoned Raleigh and the cagey Cecil, as symbols of a glittering Vanity Fair —the corrupt, glittering England lying "in Shakespeare's shadow," and for deliverance dependent only on the Hampdens and Cromwells yet to march pompously on the stage.

A. K.

Contributors

STUART CHASE divides his time between his farm in Connecticut and literary activity in New York City. His many books have explored various phases of economics, including the primitive economy of Mexico, and his most recent volume is "Government in Business," published this fall by Macmillan.

JAMES STILL lives and works at the Hindman Settlement School on Troublesome Creek in the mountains near Hindman, Kentucky, where he was born. He was graduated from a mountain college in 1929, in the same class with another Kentucky poet, Jesse Stuart.

SIEGFRIED SASSOON is the author of "The Old Huntsman," "Counter-Attack" and other books of verse. His "Memoirs of a Fox-Hunting Man" was awarded the Hawthornden Prize in 1929.

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The initials signed to the brief reviews are those of Morton Dauwen Zabel, Eva Goldbeck and Alfred Kazin.

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BOOKS
"I have just finished reading 'One of Us—the Story of John Reed,' by Granville Hicks*, with lithographs by Lynd Ward. As an old-time left-wing Socialist who read every line that Reed wrote for the old Masses, Liberator, and Metropolitan, as one who was present at the Madison Square Garden pageant which Reed organized during the Paterson silk strike of 1913, I congratulate Granville Hicks, his artist-collaborator Lynd Ward and the publishers for having done a magnificent job!" Robert L. Leslie.
* Published by Equinox Cooperative Press Inc., 444 Madison Avenue, New York. $2.00.

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LECTURE
THE NOVEL, storm center of the two schools of criticism, will be discussed by Edwin Seaver, well known critic and author of "The Company," on Monday, Dec. 16th, at

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